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FOREIGN NEWS ON WHEAT

WORLD WHEAT CROP AND MARKET PROSPECTS

Fifteen countries which have thus far reported their area of winter wheat for the 1929 harvest show a reduction of 3.2 per cent from their area of 1928, according to the Foreign Service of the Bureau of Agricultural Economics. The winter wheat area of these countries constituted 67 per cent of the winter wheat area and nearly 53 per cent of the area of all wheat in the world outside Russia and China. Canada, which occupies an especially dominant position with regard to the spring wheat crop of the world, reports an increase of about seven per cent in the total area prepared for all crops in the Prairie Provinces. Weather conditions, however, have been unfavorable in Canada and though there have been rains recently the crop may suffer from lack of moisture in the soil unless conditions from now on are favorable.

With condition of winter wheat being reported as generally favorable, prices have declined since the middle of March. The decline has been greater in the United States than in foreign markets and domestic prices reached a point where considerably more export business was done. Since domestic prices are now more definitely on an export basis, the outlook is favorable for a more rapid reduction in our visible supplies.

The opening of inland waterways in Europe has released stocks in northern European ports and has brought about a more normal distribution of supplies. Reports continue to indicate unusually heavy feeding of bread grains by European farmers and farm stocks of wheat in

northern Europe appear to be smaller than a year ago. Exports from the principal surplus producing countries continue to be much larger than last year, indicating the rapid consumption of the crop. Exports of wheat, including flour in terms of wheat, have been 681 million bushels against 583 million in the corresponding period of last year.

Rapid consumption gives promise of the carryover at the end of the season being brought down to levels not very greatly in excess of last year. Total stocks of Canadian wheat in Canada and the United States as of April 1 are officially reported at 244 million bushels which is only 8 per cent greater than a year ago. The greatest accumulation of wheat over stocks of a year ago is to be found in the United States. It is likely, consequently, that the principal increase in carryover will be found in the United States.

Wheat areas and conditions

Reports received to date indicate a 1929 winter wheat area about 3 per cent below that of 1928. Fifteen countries which in 1928 represented 67 per cent of the estimated world winter wheat area have reported a total of 123,200,000 acres against 127,288,000 acres in 1928, or a decrease of 3.2 per cent. The condition of winter wheat in the United States as of April 1 was better than average, having a reported condition of 82.7 per cent, compared with the very low condition of 68.8 per cent last year and the ten-year average of 80.9 per cent, according to the release of the United States Crop Reporting Board on April 9. Abandonment is not estimated until May 1, but judging from reports of correspondents concerning probable abandonment, the loss this year is likely to be below the ten-year average of about 12 per cent.

The area prepared for all crops in the Prairie Provinces of Canada is reported at 17,453,000 acres as compared with 16,296,000 acres prepared for the 1928 crops. There is an increase of new breaking in Alberta and Manitoba, while all three provinces report a decrease in the land under summer fallow but an increase in fall ploughing. A great part of these provinces have had less than normal precipitation since last autumn.

Recent reports from Europe are generally more favorable than those a month ago. Field work, however, has been greatly delayed by the late

spring. The official report of the condition of winter wheat in Germany as of April 1 showed a condition of 97 per cent of the average condition as of that date for the years 1919-1928 against 88 per cent as of April 1, 1928 and 109 per cent as of April 1, 1927. Although the development has been delayed, the cereals are looking fine, according to Agricultural Commissioner Steere at Berlin. The winter killing in Hungary was about normal, according to an official report dated March 27. Unofficial reports from Rumania and Austria indicate favorable conditions in those countries.

The wheat area as reported for Algeria, Tunis and Morocco is nearly 7 per cent above last year. Low temperatures retarded the germination of late sowings, but growth has been regular. Egypt has not issued an estimate of area sown but the official report as of April 1 showed a condition above average and above April 1, 1928.

The total area sown in India is estimated at 31,159,000 acres against 31,330,000 acres at the corresponding date last year, showing a decrease of 171,000 acres. The crop has been damaged by cold and frost but the damage is not serious in the important wheat growing sections of the Punjab and the United Provinces and, according to the latest official reports, the condition of the crop, on the whole, may be regarded as fair. The official estimate of production in the Punjab is 115,301,000 bushels against 103,189,000 bushels in 1928 and 123,091,000 bushels in 1927.

Agricultural Commissioner Nyhus at Shanghai reported that weather conditions in the Yangtze Valley have been favorable and the prospects for the new wheat crop are considered good. The weather conditions in Japan, however, have been less favorable than last year and on March 1 the condition of the wheat crop was below average.

Wheat production in 1928

The 1928 wheat production in 48 countries is estimated at 3,710,344,000 bushels against 3,504,841,000 bushels in 1927, an increase of 5.9 per cent. The estimates of wheat production in North America, Africa, and Asia have not been changed since the March issue of "Foreign News on Wheat". Those of several European countries have been revised upward during the past month, the increase amounting, in the aggregate, to about 11,000,000 bushels. The total production in 29 countries of Europe is now placed at 1,391,571,000 bushels against 1,261,573,000 bushels in 1927. These totals represent an increase of 10.3 per cent in the 1928 production, while the totals as published in March had shown an increase of 9 per cent. An increase of 7,000,000 bushels in the Czechoslovakian estimate and an increase of 5,000,000 bushels in the Polish estimate are the only important revisions, the others being for minor producing countries. The estimates of production in four Southern Hemisphere countries which in 1927 produced about 20 per cent of the estimated Southern Hemisphere total are now included in the total and are reported at 14 per cent above 1927. According to trade sources, shipments

of wheat from Argentina since January 1 have been about equal to those during the same period last year.

There has been no substantial change in the Russian grain situation although there are indications of a weakening in the procuring situation. The condition of the roads is an important factor in the collection of grain in the fall and spring and the season of poor roads began early this year. The bread rationing system which became effective in Moscow the middle of March appears to have been successful as bread sales have tended to decrease. The boycott of peasants who possess grain has also produced some effect on grains sales. This boycott takes various forms, a frequent one being the refusal of the cooperatives to sell industrial goods, except in exchange for grain.

Government aid for wheat growers in Switzerland

Government assistance to the Swiss wheat industry has been established on a permanent basis by an amendment to the Constitution as a result of the referendum held March 3, 1929, according to a report to the Foreign Service of the Bureau of Agricultural Economics from Asher Hobson, American Permanent Delegate to the International Institute of Agriculture at Rome. At present, Switzerland imports about 16,000,000 bushels of wheat annually, which represents approximately 75 per cent of her requirements. In view of the relatively small quantities involved in the Swiss wheat trade, the significance of the Amendment lies in the principle involved and the probable accompanying changes in Swiss agriculture rather than in any effect it may have on the world wheat supply situation.

The amendment, known as the "wheat peace", grew out of war-time measures adopted when near-famine conditions prevailed in Switzerland, Mr. Hobson reports. A government monopoly for the handling of bread grains was first instituted in 1917. Since the general decline of cereal prices in 1920, the Government of Switzerland has been granting substantial assistance to producers of cereals. Although this aid had its origin in a period of national emergency, it has been extended repeatedly for temporary periods in one form or another. The latest extension was to expire on June 30, 1929. Ever since the war, agrarian interests have been insisting that the emergency wheat monopoly measures be given permanent status. Earlier efforts to accomplish that object were successfully contested by the urban population. The fact that the present project is to be paid for by reimposing a statistical tax upon all goods passing the Swiss frontier and not by directly raising the price of bread is cited as an important influence in securing passage of the constitutional amendment.

A translation of part of the amendment follows:

"The Confederation (Federal Government) will hold sufficient reserves of wheat to guarantee the needs of the country. It may obligate the millers to warehouse wheat and to acquire reserve quantities in order to facilitate replacements."

"The Confederation encourages the growth of wheat in the country; it favors the selection and acquisition of native seed of good quality, and grants assistance to the producer cultivating wheat for his own uses, taking into particular consideration the mountainous regions. It buys native wheat of good quality, suitable for milling, at a price which admits of its cultivation. The miller may be obliged to buy this wheat on the basis of its market value.

"The Confederation guarantees the support of the national milling industry; it also safeguards the interests of the consumers of flour and bread. It controls, within the limits of its prerogatives, the trade in and prices of wheat, bread-making flour and bread. The Confederation will take the necessary measures to regulate the importation of bread-making flour; it may reserve itself the exclusive right to import this product. The Confederation, in case of need, will grant special facilities to the mills, so as to reduce their transportation fees within the country. Suitable measures will be taken to equalize the prices of flour.

"The statistical dues raised on all goods passing the Swiss frontier will again be enforced. The product of this tax will contribute to covering the expenditures occasioned by supplying the country with wheat."

In commenting upon the amendment, Mr. Hobson attaches significance to the provision for granting "assistance to the producer cultivating wheat for his own uses, taking into particular consideration the mountainous regions". For the past three years the government has paid a cash "milling premium" on wheat ground for the producer's consumption in his own home. The provision, accordingly, is designed to encourage the mountainous regions to become self-sufficient in the matter of bread cereals. These regions with their extensive pastures are prone to concentrate on milk production. If some of their efforts can be diverted to wheat, the market pressure of cheese from such areas might be lessened. It is expected that the milling premiums will be increased.

The terms of the amendment indicate that the government intends to pay more than the market price for native wheat if the market price is not sufficient to encourage wheat cultivation. The statement carrying that intent is popularly interpreted to mean that the government price for wheat grown in Switzerland will be higher than the world market level, according to Mr. Hobson. The native wheat will be sold to mills at its market value. The guaranteeing of remunerative prices to the grower and the selling of the wheat to the mills at market rates is expected to entail a loss. This loss is to be covered by "statistical dues raised on all goods passing the Swiss frontier."

The statement promising support to the national milling industry may indicate tariff protection for flour. Moreover, the government holds the exclusive right to import bread-making flour. The millers may import

wheat, but they can be compelled to buy the native grain. The plan proposes that each mill will utilize native wheat in the same proportion as it will utilize imported wheat. That is, if a mill grinds ten per cent of the country's wheat imports, it shall also utilize ten per cent of the domestic harvest.

SWITZERLAND: Area, production and imports of wheat, average 1909-1913, annual 1920-1928

Year	Area	Production	Imports a/
	<u>1,000 acres</u>	<u>1,000 bushels</u>	<u>1,000 bushels</u>
Average, 1909-1913	105	3,314	16,558
1920	119	3,586	12,103
1921	117	3,800	15,125
1922	110	2,550	13,962
1923	112	3,840	17,360
1924	104	3,112	14,216
1925	105	3,516	15,005
1926	127	4,244	16,109
1927	127	4,119	16,629
1928	127	4,270	b/ 16,834

Compiled by the Foreign Service of the Bureau of Agricultural Economics from official sources. Imports from Statistik der Auswärtigen Handels der Schweiz.

a/ Grain only. Wheat flour not reported for years 1920-1928; average of wheat including flour for 1909-1913 equals 18,885,000 bushels.

b/ Preliminary.

Continental European wheat situation

Continental import markets for wheat were relatively quiet during most of March, with the volume of purchases apparently assuming no greater proportions than in February. The weakening tendency of world prices under the continued pressure of heavy overseas wheat supplies, and the absence of bullish factors in the situation, served to restrict purchases largely to immediate requirements. It also appears that the continued stoppage of inland water traffic in Northern and Central Europe until the middle of March and after, with its resultant accumulation of larger stocks at the ports, contributed toward retarding the development of more active inquiry, as all reports indicate relatively light stocks of overseas grain at the mills and other inland points.

March developments in the domestic grain situation, however, seem to indicate improvement in the market position in many parts of the continent. Wheat prices in Central European markets until the very end of the month tended to move counter to world prices, the firmer tendency arising directly from restricted marketings from the farms coincident

with the exhaustion of mill stocks of grain because of transportation difficulties. The resumption of water traffic broke the rising tendency at the close of the month, but reports still indicate reduced farm marketing, the latter apparently due to the occupation of farmers with field work and, possibly, to the reduction of farm grain stocks to comparatively moderate levels. Continental grain trade reports now indicate general improvement in the domestic grain position, and evince belief that the market will show strength during the balance of the season even though world prices should continue weak.

Continental grain trade opinion on the world wheat market outlook was distinctly bearish at the end of March. Dealers did not envisage any significant, sustained improvement in prices with current and prospective shipments from the Southern Hemisphere and Canada continuing as large as now expected, particularly with the possibility of some decline in demand from China and India. This view is also supported by generally more favorable reports on the condition of continental winter grain crops as the month progressed, with present indications that winter damage for the continent as a whole will probably be no larger than normal and possibly even less than normal. The belief is expressed that only very unfavorable crop developments in one or more major producing areas, and unmistakable evidence of greatly increased consumption can bring about an upward trend in the market. The possibility of Russian purchases is at present of little or no influence, mainly because of the recent almost complete lack of reports from Russia.

The European grain stock situation remains somewhat obscured by the disruption of transportation during the cold weather, but the opening up of inland waterways since the middle of the month is now bringing about resumption of normal grain movements and the readjustment of stocks. Generally speaking, the stoppage of water shipments resulted in the accumulation of stocks in ports and in the hands of the grain trade between domestic producing districts and consuming centers. The mills, therefore, have had much reduced stocks during most of March, and stocks of grain at consuming centers, particularly overseas grain, are still reported small at the present time. This situation has doubtless been of influence in sustaining prices of domestic grain in recent weeks. Current reports indicate that stocks in Northern European ports are now beginning to decline as a result of the reopening of the waterways to inland shipments. French port stocks have also been declining recently, but some accumulation is reported from Naples.

Farm stocks of wheat in Northern Europe now appear to be below those of last year, but reports from the Danube Basin, particularly Hungary and Yugoslavia, indicate that surpluses available for export are probably above last year at this time. In Northern Europe the rather large supplies between production districts and consuming centers tend to offset the reduced stocks in producers' and milling hands, but there is no doubt that domestic stocks generally have been rapidly reduced in the past few months, and that domestic wheat will exert no great pressure during the balance of the season.

Reports from many parts of the Continent, which have been confirmed by correspondence with farmers in different districts, indicate that feeding of bread grain to livestock has been important this year, in some sections even larger than last year, when feeding was also relatively large because of weather damage to the bread grain crops.

Reports on the condition of fall sown grains became generally more favorable during March. At the end of the month it appeared that no more than normal winter kill was probable over the Continent as a whole, although some damage was reported in parts of Rumania and a few other sections in the Danube Basin, and in Western Europe. Reports from all these regions at the present time, however, are becoming more optimistic. In Eastern Europe the ground is still frozen, and it is too early to judge as to the condition of the seeds, but even here the outlook now appears relatively favorable.

Germany

The German bread grain market was relatively firm during March, and the volume of business increased somewhat as compared with February, when weather conditions interfered greatly with the normal functioning of the trade. The flow of wheat to interior consuming centers, which have been partially shut off from their usual supplies for many weeks, has again been resumed, both from the ports and from inland producing districts. Although market receipts have increased, stocks are still light to moderate, particularly in the case of overseas grain. Port stocks are reported beginning to decline as a result of the resumption of inland shipments, but it appears that stocks of domestic grain in trade hands between producers and the flour mills are still rather large. Nevertheless, the improvement in transportation is bringing about a more normal distribution of stocks throughout the country.

The rather depressing influence exerted on the import market by the accumulation of grain in Hamburg during January and February, gave way after the beginning of March to a more favorable tone, although transactions have continued to be mainly of a hand-to-mouth character. Arrivals of wheat in Hamburg during the first three weeks of March were slightly smaller than in the same period in February, but actual imports into the country, both at the seaport and over the Dutch border, were undoubtedly considerably larger than the small trade of the previous month when there was no traffic up the Rhine or on the inland waterways.

From February 15 to March 15 there was a considerable decrease in stocks of the bread grains in farmers hands and available for sale, so that on March 15 stocks of wheat in hands of Germany farmers were below those of the year previous. Farm stocks of wheat on March 15, 1929, amounted to 32 million bushels compared with 37 million bushels a year ago. Detailed figures of farm stocks and stocks available for sale of wheat and rye are shown on the following page.

GERMANY: Farm stocks of bread grains, 1928 and 1929

Crop	Farm stocks		Stocks available for sale	
	March 15		March 15	
	1928	1929	1928	1929
	1,000 bush.	1,000 bush.	1,000 bush.	1,000 bush.
Winter wheat	31,629	26,711	24,187	16,535
Spring wheat	5,506	5,760	4,243	4,464
Winter rye	61,805	92,601	23,603	46,301
	February 15		February 15	
	1928	1929	1928	1929
Winter wheat	41,698	39,557	33,490	22,619
Spring wheat	6,891	7,502	5,528	6,177
Winter rye	80,638	121,043	34,218	61,514

Correspondence with farmers in various parts of Germany has confirmed previous reports that more than the usual amount of bread grains have been fed and are being fed to livestock this season. Farmers who usually feed no wheat or rye to livestock, this year are feeding both to hogs and cattle. Others who normally feed their poor quality grain have increased the amount being fed, even though the quality of their crop has been good this year. Some reports have indicated that as much as one-third of the hog rations in certain districts has consisted of bread grains, though this is probably exceptional. Generally speaking, it appears that large farmers are feeding little or none of the bread grains, but the small holders are feeding considerably more than normal.

GERMANY: Price per bushel of domestic wheat and rye

Market and item	Feb. 27	Mar. 6	Mar. 13	Mar. 20	Mar. 27	Apr. 3
	Cents	Cents	Cents	Cents	Cents	Cents
Hamburg, wheat . . .	152.3	151.0	153.0	151.0	150.0	150.4
Breslau, wheat . . .	140.7	142.6	145.9	148.5	144.6	144.6
Berlin, wheat	142.0	142.9	146.2	145.5	144.9	144.9
Berlin, rye	123.7	123.1	125.5	125.5	124.9	124.9

France

Following a firm and active wheat and flour market during most of February, reports from France indicate a decided change during March. Flour mills covered their grain requirements for some time ahead during February and bought but little grain after the beginning of March, particularly so in case of domestic grain. As a consequence, the French wheat market occasionally has been even weaker than world markets, a development due partially to the more favorable views on the condition of

winter seedings. At the close of March, trade reports indicated very little business passing in domestic grain but some improvement in demand for overseas wheat. Current farm marketing of the domestic crop was also reported very light because of occupation with field work.

Latest reports on the condition of winter seedings state that the crop is in generally good shape, although winter killing is probably larger than last year. The weather was mild and spring like throughout March and enabled rapid progress with field work, although reports are beginning to indicate that some rain is needed.

France has been a comparatively light importer of grain so far this season and judging from supplies this year and last, should have substantial import requirements from now on.

Italy

Market reports from Italy indicate rather restricted business in overseas grain during March and the sale of flour was also reported slow. A considerable volume of foreign wheat continues to move to Italy, however, even though some accumulation of stocks at certain ports is reported, especially at Naples. Italy, until recently, has been a fairly heavy import taker of Hungarian as well as overseas wheat.

Italy's wheat import requirements during the remainder of the season will probably be large, though not of as great volume as during the corresponding months of last year. Imports during January and February show a noticeable decline and trade opinion affirms the probability of relatively smaller takings from now on.

Belgium

Reports from the Belgium market indicate relatively active business during the first half of March, but quietness in the latter half. Transactions during the first part of the month included a considerable volume of purchases through Rotterdam and Hamburg. Visible stocks of wheat at Antwerp at the same time rose from 735,000 bushels on February 28 to 1,653,000 bushels on March 15, as compared with 1,249,000 bushels on March 15 last year. Subsequent to the middle of the month, flour mills showed little interest in the market with prices tending to decline.

Holland

March reports from Holland show less activity on the wheat market than in February, and the accumulation of considerable wheat at the ports as a consequence of the interruption of water transportation until March 14. The volume of transactions was smaller than in February even though rather good business with Belgium developed in the first part of the month, and though Dutch and Lower Rhine flour mills showed some interest for Manitobas and Flates. Demand from the upper Rhine was very small.

Czechoslovakia and Austria

Czechoslovak and Austrian grain markets experienced generally active business during a good share of March, particularly around the middle of the month. Exhaustion of flour mills supplies of grain as a result of traffic

interruption and slow farm marketing were immediate causes of this activity, which served until the close of the month to strengthen prices in these markets in the face of weakness overseas. With a resumption of communications the latter part of March, the market weakened; nevertheless, the general supply situation appears stronger than some time ago.

The lower Danube basin

The Hungarian grain market did a considerable volume of business at firm prices during March, with exports going mainly to Austria and Czechoslovakia. Business with Italy came to a standstill in the latter part of the month, though prior to that time, and especially in February, good sales were made to Italy as well as Greece, Turkey and Switzerland. End of the month reports indicated relatively small offers on the part of farmers, as the resumption of the delayed field work has now taken the stage. There has recently been established in Hungary a so-called "export Institute", one of the plans of which is to set up standards for Hungarian wheat. If the farmers do not conform readily to the standards, it is reported that compulsory measures will be adopted to carry them through.

Yugoslav grain market reports during March indicate considerable dissatisfaction with the development of export business in both wheat and flour. Exports so far this season have been much larger than last year when the crop was practically a failure, but they do not come up to expectations aroused by this year's bumper production. Agricultural interests are endeavoring to secure a reduction in railroad rates on export grain. This effort partially represents an attempt to offset the advantage which Hungarian wheat is alleged to have in the form of a 50 per cent confidential rate rebate on Italian railroads.

Rumania

The development of Rumanian exports to date indicates that the shipments this season will, in all probability, be much smaller than had been expected. Up to the end of December, wheat exports totaled only 1,323,000 bushels as compared with 6,430,000 bushels the previous season, and since December the export movement of grain has been extremely small as the result of the severe winter. There are some stocks of grain awaiting bottoms at the river ports but most of this consists of barley.

Numerous recent reports seem to indicate that Rumania, leaving barley out of consideration, may possibly be net importer of grain this year rather than an exporter. A significant occurrence is the development of import interest for Yugoslav wheat because of lower prices than prevail in Rumania. Under these conditions the outlook for exports is not favorable. Some Hungarian wheat is reported to have been purchased for reexport purposes. Certain German firms are reported to have granted credits to Rumania for financing the importation of corn and possibly some other grains for supplying the crop failure districts in Bessarabia. A Vienna grain firm is also reported as purchasing wheat and other grain in Rumanian surplus regions for shipment to Bessarabia. February reports speak of additional credits for supplying seed grain in the same region.

Wheat balances, by countries, 1926-1928

Country, item and period	Year beginning July 1		
	1926	1927	1928
	: 1,000 bushels	: 1,000 bushels	: 1,000 bushels
<u>Germany</u>	:	:	:
Production	95,429	120,522	141,593
Net imports:	:	:	:
July-January	53,948	57,708	42,494
February	4,648	6,110	2,297
March-June	34,908	27,955	:
Apparent utilization ..	188,933	212,295	:
<u>Italy</u>	:	:	:
Production	220,644	195,809	228,596
Net imports:	:	:	:
July-January	40,147	36,053	51,500
February	9,409	6,985	5,700
March-June	37,598	43,653	:
Apparent utilization ..	307,798	282,500	:
<u>France</u>	:	:	:
Production	231,767	276,128	277,657
Net imports:	:	:	:
July-November	9,805	35,411	20,922
December	3,325	4,196	24,383
January-June	39,421	14,249	:
Apparent utilization ..	284,318	329,984	:
<u>Belgium</u>	:	:	:
Production	12,801	16,277	17,778
Net imports:	:	:	:
July-December	18,241	22,423	22,111
January	2,982	3,017	3,016
February-June	18,567	16,727	:
Apparent utilization ..	52,591	58,444	:
<u>Netherlands</u>	:	:	:
Production	5,487	6,156	7,569
Net imports:	:	:	:
July-January	16,434	18,957	17,698
February	2,049	1,996	1,984
March-June	9,710	10,019	:
Apparent utilization ..	33,680	37,128	:
<u>Czechoslovakia</u>	:	:	:
Production	34,130	40,385	48,244
Net imports:	:	:	:
July-November	9,343	8,927	8,884
December	2,293	2,781	1,327
January-June	9,356	10,513	:
Apparent utilization ..	55,122	62,606	:
<u>Switzerland</u>	:	:	:
Production	4,244	4,119	4,270
Net imports:	:	:	:
July-January	11,098	11,978	9,397
February	1,376	1,567	455
March-June	4,746	4,862	:
Apparent utilization ..	21,464	22,546	:

Wheat balances, by countries, 1926-1928. Cont'd.

Country, item and period	Year beginning July 1		
	1926	1927	1928
	1,000 bushels	1,000 bushels	1,000 bushels
<u>Greece</u>			
Production	12,403	12,976	15,876
Net imports:			
July-November .....	(	6,944	7,400
December	(19,502	1,580	1,984
January-June .....	(	10,472	
Apparent utilization ...	31,905	31,966	
<u>Denmark</u>			
Production	8,767	9,408	12,125
Net imports:			
July-December	3,083	4,647	7,290
January	516	797	1,447
February-June	3,054	5,036	
Apparent utilization ...	15,420	19,888	
<u>Poland</u>			
Production	47,080	54,230	59,230
Net imports:			
July-January	a/ -320	2,460	3,192
February	378	92	134
March-June	7,236	5,063	
Apparent utilization ...	54,374	61,845	
<u>Sweden</u>			
Production	12,153	16,151	19,462
Net imports:			
July-December	2,766	4,869	3,895
January	235	536	661
February-June	2,939	3,398	
Apparent utilization ...	12,093	24,954	
<u>Norway</u>			
Production	586	605	676
Net imports:			
July-December	3,031	4,102	4,519
January	711	416	641
February-June	2,199	2,344	
Apparent utilization ...	6,527	7,467	
<u>Latvia</u>			
Production	1,860	2,636	2,400
Net imports:			
July-November	744	735	1,213
December	114	147	257
January-June	779	661	
Apparent utilization ...	3,497	4,179	

a/ A minus sign denotes a net import.

Wheat prices

Beginning about the middle of March wheat prices in United States markets declined steadily until the end of the first week of April. The average price of all classes and grades, which stood at 117 cents per bushel for the week ending March 15, declined two cents the following week and then five cents more to 110 cents for the week ended March 29. The week ended April 5 it stood at 109 cents per bushel and then rose to 112 cents the week ended April 12.

Though the decline of prices has been shared by each of the classes of wheat, their courses have been quite different. No. 1 dark northern spring reached its peak of 139 cents per bushel late in February, declined fairly steadily to 128 cents for the week ended March 29 and then rose one cent per bushel for each of the two following weeks. No. 2 hard winter, while it reached its peak of 120 cents per bushel the week ended February 22, was within one cent of this figure the week ended January 25 and also the week ended March 15, showing no marked trend between these two dates. The course of prices of No. 2 red winter at St. Louis has been more like that of hard spring wheat, having been 145 cents per bushel the week ended February 22, 139 cents the week ended March 15, and 130 cents per bushel the week ended April 12.

Protein premiums on the hard wheats have fluctuated considerably, especially premiums on hard winter wheat. Save for the rather short period fluctuations, premiums on hard spring wheat have remained at about the same level for the past several months, while there has been some decline in the level of premiums on the hard winter wheats.

As shown by the accompanying charts, wheat prices to date for this season have followed a course similar to that of 1923-24, and world conditions are now quite similar to what they were in the spring of 1924. The level of prices at the end of the season and the beginning of the new season will depend largely upon the apparent size of the 1929 crop in North America and Europe; Canada will be of especial importance, partly because of the large size of her wheat acreage and partly because practically all of her production is spring wheat and it is still too early to appraise its probable outcome. Should the Canadian crop turn out to be short, as it was in 1924, prices would turn upward as this becomes evident.

WHEAT: Weighted average cash price per bushel at stated markets for
corresponding weeks, 1928 and 1929

Week ended	All classes: No. 2 : No. 1 : No. 2 : Durum, all : No. 2 and grades: hard winter: dk. n. spring: amber durum: sub-classes: red winter and grades: Kansas City: Minneapolis: Minneapolis: and grades: St. Louis 1928 : 1929 : 1928 : 1929 : 1928 : 1929 : 1928 : 1929 : 1928 : 1929 : 1928 : 1929 Cents: Cents: Cents: Cents: Cents: Cents: Cents: Cents: Cents: Cents: Cents: Cents											
Feb. 1	131	117	131	117	143	131	128	132	121	107	152	144
8	130	117	129	117	140	134	126	132	118	107	152	139
15	131	119	133	118	140	136	127	129	120	109	155	141
22	134	120	136	120	145	139	129	130	123	107	158	145
Mar. 1	135	117	135	118	145	136	133	126	124	104	161	138
8	137	115	138	117	148	132	133	129	126	102	166	135
15	135	117	136	119	145	132	131	123	125	105	168	139
22	137	115	141	117	147	135	135	123	128	101	170	139
29	137	110	141	112	147	128	135	117	127	96	176	130
Apr. 5	140	109	143	110	151	129	135	---	128	95	181	130
12	143	112	144	114	152	130	140	118	132	98	186	130
19	156		156		167		146		139		199	
26	158		165		171		141		140		212	
May 3	162		169		174		148		140		220	
10	156		164		168		144		140		204	
17	147		151		160		136		134		181	
24	147		153		161		138		135		179	
31	146		155		161		136		131		183	

WINTER WHEAT: Area in specified countries, average 1909-1915, annual 1926-1929

Country	Harvest year						Percentage 1929 is of 1928 Per cent
	Average :	1926 :	1927 :	1928 :	1929 :		
	1909- 1913 acres	1926 acres	1927 acres	1928 acres	1929 acres		
Canada a/	1,019	1,008	979	1,033	951	92.1	
United States a/	32,022	39,867	43,373	47,280	43,228	91.4	
Total	33,041	40,895	44,352	48,313	44,179	91.4	
Europe (9)	44,528	38,863	39,064	40,291	40,027	99.3	
North Africa (3)	6,531	8,139	7,181	7,352	7,838	106.6	
India, 2nd estimate	29,224	29,711	31,184	31,332	31,159	99.4	
Total above count. (15)	113,324	117,608	121,781	127,288	123,203	96.8	
Est. world total win- ter acreage ex.							
Russia and China		185,500	187,700	190,000			
Est. world total, winter and spring acreage ex. Russia and China	204,200	232,500	236,900	242,100			

WHEAT: Production, average 1909-1913, annual 1925-1928

Crop and countries reported in 1928 a/	Average 1909-1913	1925	1926	1927	1928	Percent- age 1928 is of 1927
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	Per cent
United States	690,108	676,429	831,040	878,374	902,749	102.8
Canada	197,119	395,475	407,136	479,665	533,572	111.2
North America (3) ...	898,708	1,081,117	1,248,509	1,369,929	1,447,653	105.7
Europe (29)	1,348,170	1,390,839	1,204,746	1,261,573	1,391,571	110.3
Africa (6)	93,171	105,166	90,313	105,764	103,079	97.8
Asia (6)	387,827	383,500	379,296	389,635	336,896	86.5
Total N. Hemis. (44):	2,727,876	2,960,622	2,922,864	3,126,901	3,279,199	104.9
Total South. Hemis. (4):	250,107	324,879	399,870	377,940	431,145	114.1
Total above count (48):	2,977,983	3,285,501	3,322,734	3,504,841	3,710,344	105.9
Est. N. Hemis. total:						
ex. Russia and China:	2,759,000	3,067,000	2,979,000	3,181,000	3,305,000	103.9
Est. world total ex.:						
Russia and China ...:	3,041,000	3,435,000	3,420,000	3,605,000	2,780,000	104.9

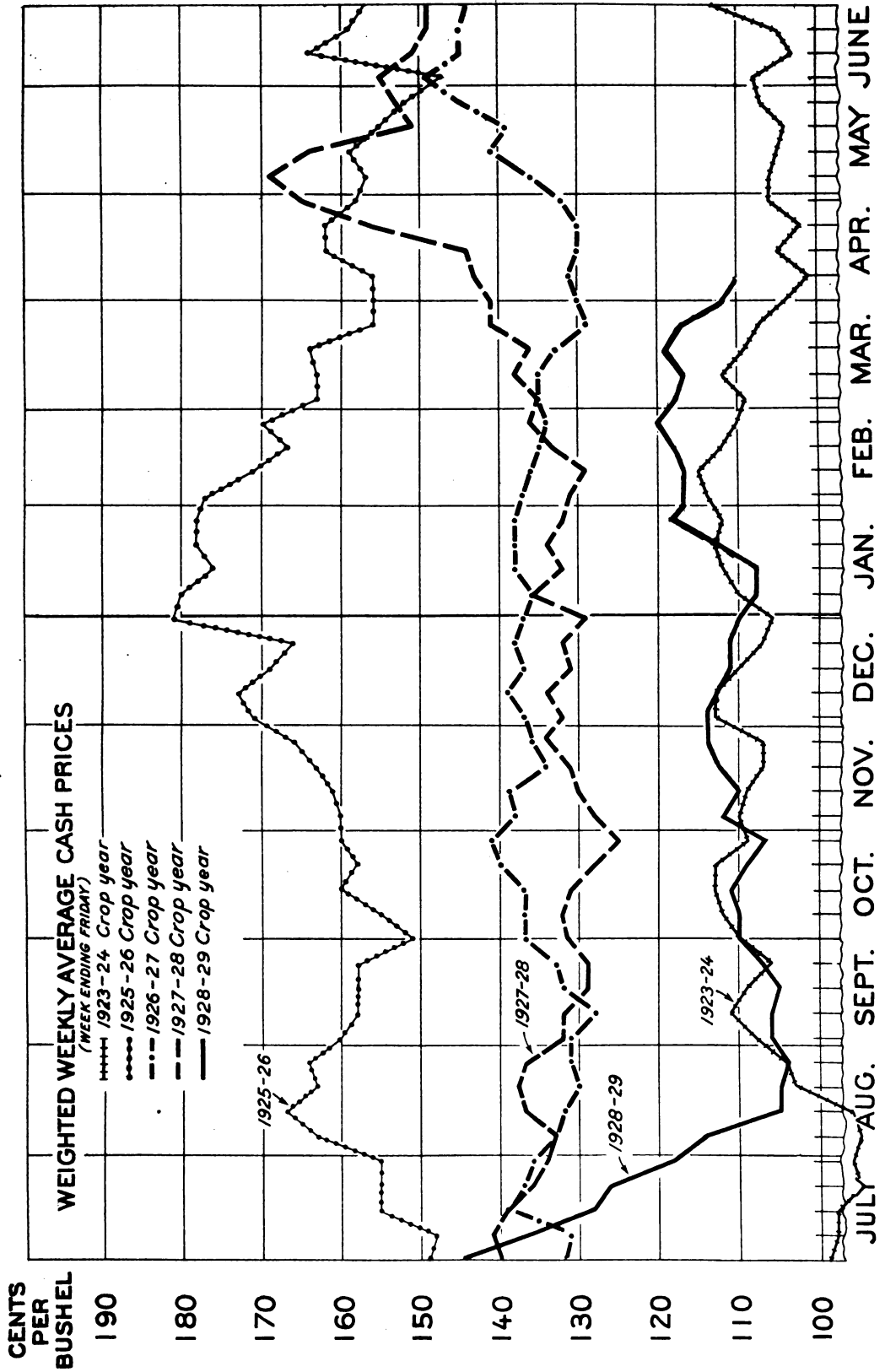
a/ Figures in parenthesis indicate the number of countries included.

WHEAT, INCLUDING FLOUR: Net exports from principal exporting countries
and net imports into European importing countries 1927-28
and 1928-29

Country : Net exports reported:			Country : Net imports reported		
Country	July 1: to	1927-28 : 1928-29	Country	July 1: to	1927-28 : 1928-29
		Million : Million bushels : bushels			Million : Million bushels : bushels
United States	Apr. 5:	175 : 113	United Kingdom	Feb. 28:	136 : 132
Canada	Feb. 28:	211 : 323	Italy	Jan. 31:	36 : 52
Russia	Apr. 5:	5 : a/	Germany	Jan. 31:	58 : 42
British India	Apr. 5:	9 : b/-2	France	Jan. 31:	43 : 28
Hungary .....	)	)	Belgium	Jan. 31:	25 : 25
Rumania .....	)	)	Netherlands ..	Jan. 31:	19 : 18
Yugoslavia .....	)	)	Czechoslovakia	Dec. 31:	12 : 10
Poland	Dec. 31:	1 : c/ 3	Irish Fr. State	Jan. 31:	12 : 10
Argentina	Apr. 5:	126 : 150	Switzerland ..	Feb. 28:	14 : 10
Australia	Apr. 5:	52 : 92	Sweden	Jan. 31:	5 : 5
			Norway	Jan. 31:	5 : 5
			Denmark	Feb. 28:	6 : 10
			Finland	Dec. 31:	2 : 3
			Poland	Jan. 31:	2 : 3
Total		583 : 631	Total import-:		
			ant European:		375 : 363
			countries :		

a/ Less than 50 million bushels. b/ Net imports. c/ August-December.

WHEAT: PRICE OF NO.2 HARD WINTER AT KANSAS CITY 1923-24, 1925-26 —1928-29



U.S. DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
WH-35

May 18, 1929

FOREIGN NEWS ON WHEAT

WORLD WHEAT CROP AND MARKET PROSPECTS

The recent drop in wheat prices appears to have been due to concern over the prospects of ending the season with an increased carryover, and harvesting another good crop in 1929. In the United States the large visible supply in the face of an increase in the area of winter wheat to be harvested has made a great impression upon the wheat markets. Some increase in the world carryover seems certain but most of it will be in the United States. The present prospects are for a fairly good crop of winter wheat in the United States, but the outturn of the world's crop is still very uncertain. A realization of only average yields in some of the important producing countries would result in a crop enough smaller than last year to offset the increase in carryover.

Looking forward to next year, the tendency for world consumption to increase should not be overlooked. Beginning the year with an increase of nearly 240 million bushels in supply, the disappearance of wheat to date appears to be something over 100 million bushels in excess of the disappearance in the corresponding period of last season. The supply for the present season has been about 8 per cent greater than for the 1923-24 season and has sold at slightly higher prices. This indicates that should the world supply of wheat for next season be as great as it has been for the present season prices would probably average a little higher.

WHEAT: World supply, 1923-24 - 1928-29

Season	World production	Shipments from Russia	Stocks accounted for July 1	Total supply
	Million bushels	Million bushels	Million bushels	Million bushels
1923-24.....	3,551	21	305	3,877
1924-25.....	3,143	1	335	3,479
1925-26.....	3,435	27	268	3,730
1926-27.....	3,420	49	257	3,726
1927-28.....	3,640	5	323	3,968
1928-29.....	3,805	0	399	4,204

Wheat prices

Wheat prices continued to decline into May but the decline now seems to have been checked. In the United States farm prices the middle of April averaged 99.8 cents per bushel, a decline of 5 cents from the middle of March. Market prices indicate that farm prices for May will average considerably lower. All classes of wheat have participated in the decline. Soft red winter has dropped farthest; the price of No. 2 soft red winter at St. Louis dropped from an average of 130 for the week ended April 12 to 118 cents per bushel for the first week of May. All classes of wheat are now on about the same level as at the corresponding point in the 1923-24 season.

Prices of wheat to some producers in the United States may be affected by changes in the production of the kind of wheat they produce. Conditions as of May 1 indicate a soft red winter wheat crop considerably larger than last year and the supply for the next season may be large enough to hold the price of soft red winter wheat very close to the world market basis or on a level with the price of hard red winter wheat for a part of the year at least. The indicated reduction in the production of hard winter wheat, on the other hand, will be offset largely by an increase in carryover and the price of this wheat will remain close to an export basis. Reductions in freight rates may stimulate exports and tend to bring the prices of all wheats in the markets of the United States closer to Liverpool prices.

Prices of all classes of wheat are likely to fluctuate greatly with reports of crop prospects in the next two months. It now seems fairly certain, however, that wheat prices in the United States are at about the low level for the current season. There is now evidence of a tendency for prices to rise but heavy marketings of new wheat and favorable crop reports may again temporarily depress prices. Reports of prospects for the Canadian crop will be an important factor in determining the course of prices through the next few weeks. Indications that an average or less than average crop in Canada were fairly certain, would raise the spring wheat price level for the beginning of the next season and strengthen the market for all wheats.

WHEAT: Weighted average cash price per bushel at stated markets for corresponding weeks, 1928 and 1929

All classes:		No. 2	No. 1	No. 2	Durum, all	No. 2	and grades:		hard winter:	dk.n.spring:	amber durum:	sub-classes:	red winter
ended:		six markets:		Kansas City:	Minneapolis:	Minneapolis:	and grades:		St. Louis				
		1928:	1929:	1928:	1929:	1928:	1929:	1928:	1929:	1928:	1929:	1928:	1929:
		Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:
Feb. 1:	131	117	131	117	143	131	128	132	121	107	152	144	
8:	130	117	129	117	140	134	126	132	118	107	152	139	
15:	131	119	133	118	140	136	127	129	120	109	155	141	
22:	134	120	136	120	145	139	129	130	123	107	158	145	
Mar. 1:	135	117	135	118	145	136	133	126	124	104	161	138	
8:	137	115	138	117	148	132	133	129	126	102	166	135	
15:	135	117	136	119	145	132	131	123	125	105	168	139	
22:	137	115	141	117	147	135	135	123	128	101	170	139	
29:	137	110	141	112	147	128	135	117	127	96	176	130	
Apr. 5:	140	109	143	110	151	129	135	---	128	95	181	130	
12:	143	112	144	114	152	130	140	118	132	98	186	130	
19:	156	112	156	113	167	133	146	---	139	98	199	128	
26:	156	107	165	106	171	125	141	119	140	98	212	122	
May 3:	162	107	169	105	174	128	148	112	140	99	220	118	
10:	156	101	164	104	168	123	144	113	140	95	204	122	
17:	147		151		160		136		134		181		
24:	147		153		161		138		135		179		
31:	146		155		161		136		131		163		

WHEAT: Closing prices of May futures

Date	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires a/
	1928:	1929:	1928:	1929:	1928:	1929:
	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:
Mar. 28:	144	122	135	114	137	118
Apr. 4:	143	118	134	111	136	115
11:	149	121	140	114	142	118
18:	158	117	150	110	150	115
25:	160	113	152	105	151	111
May 2:	157	113	152	106	152	114
9:	152	104	150	96	148	103
16:	146		142		143	

a/ Prices are of day previous to date of other market prices.

United States wheat stocks by classes

The bulk of the present large stocks in the United States consists of hard spring and hard winter wheats. At this time of year considerable stocks of hard spring wheat are necessary in order to provide for requirements until the new spring sown crop is available, and it appears that there is no great surplus of hard spring wheats to be carried over into the next crop year or to be exported. With the new crop of hard winter wheat soon to be harvested, however, it appears that stocks of this class are burdensome and large quantities must be carried into the new season or exported.

Bradstreet's visible supply of wheat in the United States for May 4 is 113.8 million bushels, an increase of 53.3 million as compared with May 5 of last year. The increase of stocks over last year is primarily in the large terminal markets. Four-fifths of the increase is to be found in the six primary markets, Minneapolis, Omaha, Wichita, Kansas City, Chicago and St. Louis.

In Minneapolis the increase of stocks over last year is primarily in spring wheats. The better qualities (that is the sub-classes of hard spring and dark northern spring) have decreased by over two million bushels, while stocks of the poorer quality (northern spring) have increased by 8.7 million bushels. Winter wheat stocks in Minneapolis have increased only .2 million bushels, durum wheat by .1 million bushels and "other wheats" have increased to the extent of 4.8 million bushels. At Duluth there has been very little change as compared with a year ago, spring wheat stocks being almost exactly the same, winter wheat having decreased by about one million bushels, and durum wheat stocks having increased by a little less than one million bushels.

At Omaha stocks have increased a little over 6 million bushels and this increase no doubt consists primarily of hard winter wheats. Kansas City stocks have also increased by 12.6 million bushels and probably consist almost altogether of hard winter wheat.

At Chicago there has been a total increase in stocks, according to Bradstreet's visible of 10 million bushels; 7.6 of this was in the stocks of "regular" elevators. Of this latter amount one million of the increase has been in northern spring wheat and 5.6 million in winter wheats. Red winter wheat stocks are small, being only 46 thousand bushels as compared with 38 thousand a year ago. Soft white wheats at 2.0 million bushels are 15.0 million below the level of a year ago. At St. Louis, where there has been an increase of two million bushels over a year ago, the increase has again been primarily in hard winter wheats. Soft winter wheat stocks are considerably larger than the very small amounts of a year ago but are nevertheless comparatively light.

March 31 mill stocks of wheat likewise indicate that the principal increase over last year is to be found in the hard winter wheats, with a smaller increase in hard spring wheat, and only a very small increase in soft wheats. This is indicated by compiling mill stocks by states. The six States

which would be expected to have stocks consisting primarily of hard spring wheat are Minnesota, New York, Montana, North Dakota, South Dakota and Wisconsin. In these States stocks at the end of March, 1929, were 21.3 million bushels against 16.4 million bushels a year previous. In the six principal hard winter wheat milling States, Kansas, Missouri, Texas, Nebraska, Oklahoma, and Colorado, on the other hand, stocks in mills and mill elevators amounted to 33.4 million bushels against 25.4 million a year ago, an increase of 8.0 million. The States of Washington, Oregon, California and Idaho show a slight decrease in mill stocks. The principal States in which mill stocks can be expected to consist almost entirely of soft winter wheat had virtually no more wheat than the year before.

WHEAT: Stocks in the United States, April 1, 1926 to 1929

Position - April 1	1926	1927	1928	1929
	<u>1,000 bu.</u>	<u>1,000 bu.</u>	<u>1,000 bu.</u>	<u>1,000 bu.</u>
Mills and elevators				
attached to mills <u>1/</u> ...	49,758	65,554	62,887	78,757
In transit and bought to				
arrive <u>1/</u>	3,569	6,982	10,019	9,185
Commercial <u>2/</u>	35,750	49,910	68,791	124,764
Country mills and				
elevators March 1 <u>3/</u>	76,376	85,928	75,428	78,411
Farms, indicated April 1	80,583	104,431	88,824	132,813
Total, United States	246,036	312,875	305,949	423,930

1/ Census reporting mills raised to represent all mills (March 31 taken as April 1).

2/ Interpolated from change shown by Bradstreet's report on Visible Supply, April 1926 to April 1927; later years, Bureau of Agricultural Economics.

3/ The Bureau of Agricultural Economics estimates of stocks of wheat in country mills and elevators. These estimates are based upon reports received from a sample of from 10 to 20 per cent of the country mills and elevators of the country. The list of elevators to which the inquiry is sent does not duplicate in any way the mills from which reports are received by the Bureau of the Census, nor the city elevators covered by the commercial grain stocks reports. The Bureau has collected for four years, as of April 1, July 1, October 1, and January 1, sample data on about 25,000 farms of stocks of wheat on farms, coincident with an inquiry on number of bushels produced in the preceding year on the same farm. The percentage that stocks bear to production has been related to the estimated total production in each state and an aggregate, indicated figure of stocks on farms computed. Because the lists from which these sample data are collected are known to be made up of farmers of somewhat above average ability and financial status, it is felt by the Department that these indicated stocks are probably slightly above the facts.

Reduction in export rates on wheat

The railway freight rate on wheat moving ex-lake from Buffalo and other lower lake ports to North Atlantic ports, including New York, Boston, Philadelphia, and Baltimore, for export, was reduced 3.33 cents per hundred pounds, effective May 12, 1929. This reduction will remain in effect until September 30, 1929.

The regular rate on ex-lake wheat from Buffalo to New York and Boston for export is 15.17 cents per hundred pounds, which is equivalent to 9.1 cents per bushel. The reduction is equivalent to approximately 2 cents per bushel, making the emergency rate from Buffalo to New York 7.1 cents per bushel, and one-half cent per hundred pounds less to Philadelphia and Baltimore.

If the grain rates on the Great Lakes remain on substantially the same level of last season, the total cost of transportation from the head of the lakes to the North Atlantic seaboard will be approximately 9½ cents per bushel, exclusive of elevation and handling charges. This statement is based on an estimated rate from the head of the lakes to Buffalo of 2.44 cents per bushel, which is the average rate prevailing during 1928 from the beginning of navigation up to and including September 30, 1928.

Reductions in the rates on wheat and wheat flour moving for export from Chicago and St. Louis to the eastern seaboard are also proposed, as well as a reduction in the rates from certain primary market centers in the Middle West to the head of the lakes, to Chicago, to Mississippi river points, and to the ports on the Gulf seaboard. An application has also been filed with the Interstate Commerce Commission for a reduction in the rates on wheat moving via the Mississippi River Barge Line.

United States prospective supplies of wheat for the 1929-30 season

At this time a fairly definite idea can be had of the probable supplies of winter wheat which will be available in the United States with the coming of the new crop year. There is, of course, considerable uncertainty as to the amount which will be exported during the next six weeks, and forecasts of the winter wheat crop are also subject to considerable change as the result of developments in the weather between now and the harvesting of the crop. In the case of spring wheat, of course, there is at present no indication of probable yields and the expectation of spring wheat supplies cannot be nearly so reliable.

In general the winter wheat prospect is that stocks of hard winter wheat will be larger this year than last, while production will be smaller. In the case of soft winter wheat, on the other hand, production will be above the very low point of last year and stocks, though somewhat larger than a year ago, will be very small in relation to total production.

Based on the May forecast of winter wheat production, some indication may be had of the probable production of hard winter wheat. The indicated hard winter wheat production this year is 346 million bushels against 384 million for 1928. This probable reduction of 38 million bushels from last year's hard winter wheat crop appears to be nearly the same amount as the increase above a year ago in commercial stocks of hard winter wheat. Allowing then for some increase in the carryover of hard winter wheat on farms and some reduction during the next few weeks, in the excess of commercial stocks over last year, it appears that the total supply of hard winter wheat in the United States as of July 1 will not be very different from that of July 1, 1928.

Somewhat larger soft winter wheat supplies as of July 1 seem to be assured this year, for a crop of about 196 million bushels is to be expected against an estimated production of 140 million last year. This production of 196 million bushels compares with an estimated production of 182 million bushels during the past five years and such a crop would be large enough to place the United States on an export basis for soft winter wheat for a part of the year. Consequently, it is not to be expected that during the coming crop year prices of soft red winter wheat will be markedly higher than those of the hard varieties as they have been during the past season.

The area of wheat in 17 countries reporting to date is estimated at 137,269,000 acres, an increase of 4.2 per cent over that of 1928. The area of winter wheat reported in these countries last year amounted to 54 per cent of the area of all wheat outside of Russia and China harvested.

World areas to be harvested

Areas reported to date as seeded are smaller than in the same countries last year but a much lighter abandonment in the United States leaves the area to be harvested larger than last year. The abandonment in the United States is estimated at 6.4 per cent less than half the average abandonment in the past five years. Some further loss of acreage may occur, particularly in the Pacific Coast states and in parts of the Southwest where rain is needed. The area of winter wheat remaining for harvest according to the May 1 estimate is 40,467,000 acres, a 11.9 per cent increase over the area harvested last year.

The acreage reported by eleven European countries totals 56,562,000 acres, an increase of 1.4 per cent over last year. The winter wheat acreage in these countries last year represented nearly 30 per cent of the total European acreage excluding Russia.

It is possible, however, that increases in abandonment will offset the increase in area seeded. Reports indicate that abandonment in European countries will be a little greater than last year. Germany reports an abandonment of 4.9 per cent as compared with 2.8 per cent last year. Bulgaria reports a 20 per cent loss. Winter killing in Rumania and Poland now appears greater than expected earlier in the season. Official reports from Hungary complain of frost damage in April and of delay in crop developments. Heavier losses are expected in England and Wales. The reduction in acreage from winter killing in these countries, however, can not be definitely estimated.

Russia reports that winter killing has not been above normal and may be less than last year. The Ukraine and North Caucasus, however, report heavy winter killing, amounting to 10 per cent in each case. Since the area sown to all winter grains in the U.S.S.R. was 3 per cent less than for the harvest of 1928, it appears that the winter wheat area in Russia is probably no greater than, if as large as, last year.

The condition of the wheat crop in Europe seems to be quite variable. The season is late. The condition of the German crop deteriorated from April to May. Rains and warmer temperatures reported to be general over Europe in the week ending May 7 probably improved conditions, especially in western Europe where rains have been needed. Conditions in Italy on the whole are satisfactory. Recent rains have improved conditions in France.

Spring seedings are under way in the Northern Hemisphere, but it is too early to estimate the area being seeded. Farmers have indicated an intention to reduce slightly the spring wheat acreage in the United States. Conditions now appear to indicate some increase in Canada. The seeding completed up to May 1 compared favorably with that to May 1 of last year, according to the "Manitoba Free Press". The area summer fallowed in the Prairie Provinces for this season was somewhat less than for the 1928 season, but fall plowing and new breaking have increased. The total acreage prepared for wheat and other field crops is estimated to be 7 per cent greater than for 1928. Scarcity of moisture may have some effect upon seeding as well as the yields from this crop. According to the "Free Press", the moisture content of the soil is considered adequate for germination in Manitoba, but there is a general shortage of sub-soil moisture throughout the three provinces due to a dry fall and winter. From September 1 to May precipitation was only about 54 per cent of normal in Manitoba, 73 per cent in Saskatchewan, and 80 per cent in Alberta. During April, however, precipitation was above normal in western Canada excepting in southern Saskatchewan and eastern Manitoba. Indications of both acreage and condition will be closely watched through the next few weeks. The first official estimate of the area of spring seedings is scheduled for July 10.

BREAD GRAINS: Winter acreage in specified countries, average 1909-1913,
annual 1926-1929

Crop and countries reporting ^{a/}	Harvest year					Percent-
	Average:					age 1929
	1909- 1913	1926	1927	1928	1929	is of 1928
	1,000 : acres	1,000 : acres	1,000 : acres	1,000 : acres	1,000 : acres	Per cent
WHEAT						
Canada	1,019	844	853	819	898	109.6
United States	28,382	36,987	37,723	36,179	40,467	111.9
Total	29,401	37,831	38,576	36,998	41,365	111.8
Europe (11)	58,057	54,065	54,524	55,761	56,562	101.4
Africa (3)	6,831	8,139	7,181	7,352	7,638	106.6
India, 3rd estimate	29,224	29,899	30,352	31,678	31,504	99.5
Total above coun- tries (17)	123,213	129,934	131,233	131,799	137,269	104.2
Estimated world total, winter acreage ex- cluding Russia and China		-185,500	187,700	190,000		
Estimated world total, winter and spring excluding Russia and China		204,200	232,500	236,900	242,100	
RYE						
Canada	117	601	569	599	538	89.8
United States	2,236	3,573	3,046	3,444	3,225	93.6
Europe (11)	25,947	21,873	22,005	24,893	25,164	101.1
Total above coun- tries (13)	28,300	26,052	26,221	28,941	28,927	100.0
Estimated Northern Hemisphere total excluding Russia and China		48,300	45,500	45,900	44,800	

^{a/} Figures in parenthesis indicate the number of countries included.

World Stocks of Wheat

World wheat stocks are still considerably larger than last year. The world's visible supply of wheat April 1 was 116 million bushels greater than on April 1, 1928, according to Broomhall. Counting all reported stocks, including grain in farmers' hands and mill and elevator stocks not included in the visible supply in the United States and Canada, the total was about 170 million bushels in excess of last year. On the other hand, farm stocks in Germany and in England and Wales are reported to be less than last year and the condition in these countries may be indicative of the stocks in some of the other European countries.

A continuation of the rapid rate of disappearance will probably result in reducing stocks so that the carryover into the beginning of our new marketing season, July 1, will be only a little over 100 million bushels in excess of the carryover on July 1, 1928. Most of the carryover is likely to be in the United States. Stocks in Australia, Argentina and Canada are now but little larger than last year, and if exports continue approximately the same, the carryover in these countries will be but little in excess of last year. The stocks in the United States, on the other hand, are too large to be reduced to last year's level by the end of the season. The reduction in freight rates may stimulate exports but without very great effort, the stocks are not likely to be reduced below 200 million bushels, which would be 70 millions in excess of the carryover of last year.

WHEAT: Stocks accounted for as of April 1

Position	April 1 1926	April 1 1927	April 1 1928	April 1 1929
	Million bushels	Million bushels	Million bushels	Million bushels
United States	246	312	306	424
Canadian wheat in bond in United States	(10)	(10)	12	24
Canada	159	174	226	244
Australia <u>1/</u>	31	53	36	53
Argentina <u>1/</u>	7	15	13	15
United Kingdom wheat stocks <u>2/</u>	7	3	6	6
Afloat <u>2/</u>	46	76	68	71
Total	506	643	667	837

1/ Visible supply only, reported by Broomhall.

2/ Broomhall.

Australian wheat stocks

Australia harvested a much larger crop and still has on hand more wheat than she had a year ago. The visible supply as of April 1 amounted to 53 million bushels as compared with 36 million on April 1, 1928, according to Broomhall. But the Australian supply has been moving out rapidly and the supply of wheat in Australia, July 1, 1929, may not differ greatly from that of July 1, 1928.

Production of wheat in Australia has been estimated at 159 million bushels. Recent reports indicate the crop may be underestimated and that it may amount to 169 million bushels. Stocks on hand January 1 are not known. Unofficial reports indicate that about 66 million bushels have been exported from January 1 to April 27. Assuming that exports may continue at this rate, 20 million bushels more would be exported by July 1. Assuming the crop correctly estimated, the carryover negligible, and allowing 22 million bushels for home consumption, the remainder would be 51 million bushels as compared with 56 million bushels on July 1, 1928.

AUSTRALIA: Estimated wheat stocks, July 1, 1924 - 1929

Item	: 1924	: 1925	: 1926	: 1927	: 1928	: 1929
	: Million bushels	: Million bushels	: Million bushels	: Million bushels	: Million bushels	: Million bushels
Carryover January 1	-	-	-	-	11	-
Production, previous year	125	165	114	161	117	159
Home consumption, six months	22	22	22	22	22	22
Exports, January-June ...	59	101	59	81	50	(86)
Stocks, computed as of July 1	44	42	33	58	56	(51)

Argentine wheat stocks

The Argentine wheat crop has not yet been officially estimated. Weather conditions indicate a yield which, allowing for a small increase in acreage, would produce about 255 million bushels. Trade reports, however, continue to indicate a larger crop, and the movement of the crop to date suggests that the total crop may be as large as that of last year. The distribution of wheat during the past year indicates that last year's crop was probably about 275 million bushels. Exports since January 1 to date have been about the same as in the corresponding period last year, a little over 100 million bushels. On the average, about 50 per cent of the exportable surplus is shipped out in the first four months of the season and 74 per cent by the first of July. Last year only 69 per cent of the exports were shipped out in these six months. If exports continue until the first of July to equal the shipments in the corresponding period last year, about 140 million bushels will be exported, leaving on hand an exportable surplus of about 73 million bushels as compared with 78 millions last year, including the carryover at the end of the season as a part of the exportable surplus.

ARGENTINA: Estimated surplus of wheat, July 1, 1924-1929

Item	1924	1925	1926	1927	1928	1929
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Carryover, January	1	10	13	35	18	15
Production, previous year:	248	191	191	221 ^{a/}	275	(275)
Total available	249	201	204	256	293	290
Home consumption	69	70 ^{b/}	87	77	77	77
Exportable surplus	180	131	117	179	216	213
Exports, January - June ..	127	82	65	123	138 ^{c/}	140
Stocks, computed as of						
July 1	53	49	52	56	78	73

^{a/} The 1927-28 crop was officially estimated at 239 million bushels but it now appears that the crop was nearer 275 million bushels. See F.S. Wh. 31 and 32, January 24, 1929 and February 26, 1929.

^{b/} Includes 10 million bushels of poor quality grain.

^{c/} See note ^{c/} on table titled "Argentina: Production and exports of wheat, 1920-1929".

CANADIAN WHEAT STOCKS

The stocks of wheat on hand in Canada as of April 1 were but very little larger (18 million bushels) than the amount on hand the corresponding date of last year. The Canadian wheat in bond in the United States was about 12 million bushels larger than the year before. Assuming approximately the same distribution in the three months, April 1 to July 1, this year as last, the stocks in Canada on July 1 would be only a little over 100 million bushels, or from 10 to 20 million bushels greater than last year.

Canada has both consumed and exported more wheat than last year. Mill grindings, from the first of August through March, amounted to 65 million bushels as compared to 61 million bushels last year. Exports July 1 - March 31 amounted to 351 million bushels as compared with 235. It is estimated that the loss from cleaning and unmerchantable condition amounted to 44 million bushels, or 10 million more than the loss from the 1927 crop. The result is that Canada now has very little more wheat to export or carry over than she had at this time last year.

The accompanying table shows the basis upon which stocks as of July 1 are computed. The stocks as of March 31 are the official estimates as published by the Dominion Bureau of Statistics. From these totals are deducted the official estimates of the wheat used as seed and food for the three months April-June plus unofficial estimates of exports for the three months April to June, 1929.

CANADA: Estimated stocks of wheat on July 1, 1924 - 1929

Item	: 1924	: 1925	: 1926	: 1927	: 1928	: 1929
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: <u>bushels</u>	: <u>bushels</u>	: <u>bushels</u>	: <u>bushels</u>	: <u>bushels</u>	: <u>bushels</u>
Stocks as of Mar. 31	: 202,493	: 121,084	: 159,468	: 174,382	: 226,272	: 244,423
Seed.....	: 38,658	: 38,452	: 39,840	: 39,305	: 42,200	: 42,200
Food, 3 months.....	: 10,400	: 10,500	: 10,600	: 10,700	: 10,800	: 10,900
Export, April-June....	: 84,215	: 37,668	: 63,255	: 74,042	: 70,554	: (70,000)
Stocks, computed as	: :	: :	: :	: :	: :	: :
of July 1.....	: 69,220	: 34,464	: 45,773	: 50,335	: 102,718	: (121,323)

Figures in parenthesis are unofficial estimates.

Continental European wheat situation

Continental wheat markets showed considerable activity during April with large import purchases of overseas wheat, particularly by France and the Mediterranean countries, and also to some extent by Germany, according to advices received from the Berlin office of the Bureau of Agricultural Economics. Prices in the import markets weakened at the beginning of the month following reductions in Argentine and Australian offering prices, but later rallied following the rise of the American prices. The efforts of the Russian Government to get support for the financing of prospective wheat purchases also contributed to the rise in European import markets. Some sales effected for shipment to Constantinople are said to have been for Russian port destinations. Around the middle of the month the American price decline was reflected in the continental import markets, and since that time the market has remained rather weak with the world visible stocks continuing to exert a depressing influence. However, the Continent has continued to buy overseas wheat freely, especially parcels afloat, due partly to the relative scarcity of domestic wheat stocks.

Markets for domestic wheat did not move with foreign developments. In general prices at the beginning of the month were maintained. Offerings were restricted because of the occupation of farmers with delayed field work, but late in the month showed some increase in France. Flour business on the Continent of Europe was active, particularly during the first half of April, in coincidence with developments on the wheat market which, in turn, were influenced by increased coverings of flour consumers. During the second half of the month some tendency toward a hand-to-mouth buying policy was evident, and in Central Europe purchases were mostly limited to current needs. The delayed growth of the new crop in Europe is now being considered a factor toward increased dependence on foreign supplies. Also curtailed fodder crops will cause prolonged grain feeding and create some further demand for foreign wheat.

Reports on the condition of winter grain in Continental Europe indicate somewhat more winter killing, but the most serious factor is the delay in growth occasioned by the late cold spring. Seeding and growth of spring grain have been especially delayed. In the Danube Basin some fear is expressed that the plants which have been weakened by the unseasonable weather would not be able to withstand hot May weather which sometimes occurs.

Spring sowing is completed in France and in most parts of Italy, but is still under way over most of the remainder of the Continent. Rains and warm weather are urgently needed in many sections for the new seeding, in order to insure germination and vigorous development of the seedlings. Wind damage is reported from some light soil districts, where the grain was occasionally blown out of the dry ground.

A summary of crop reports in individual countries based on official and private information received to date is as follows:

Germany reports a winter-kill of 4.9 per cent compared with 2 per cent last year. France, and Belgium, while reporting satisfactory conditions as a whole, may show somewhat above normal winter-kill. Italy reports a condition of winter grain about average. Hungary has a fairly satisfactory condition, though extensive winter-kill in some places. Yugoslavia reports considerable winter-kill of wheat in sections and heavy losses to oats and barley. Rumania and Bulgaria are stated as fairly satisfactory, although there are local reports of extensive damage. Since these crop reports were received before the recent cold weather, it is probable that later condition reports will show a revision. The delayed growth of vegetation is a factor of great importance and favorable weather is very necessary to the future prospects of the grain crops.

Germany

German wheat and rye markets during the past month were rather quiet, and prices showed slight changes. Soon after Easter, however, business became brisker, and transactions were occasionally large. The available spot grain was at times short, causing a slight increase in prices, whereas in overseas a decline was evident. Despite some uncertainty as a consequence of varied information from overseas a series of different factors has been responsible for a relatively strong undertone in the German market. Farm deliveries were very small due to the press of field work. Almost all deliveries were bought by the flour mills in the provinces which showed a relatively good demand, and the big markets were almost totally dependent on foreign grain. Stocks still available for sale on farms and with the trade are not abundant, and the fact that 22,000,000 to 26,000,000 bushels less wheat have been imported this season to date than last, makes Germany's wheat import requirements for the rest of the season appear relatively large.

The rye situation is quite different from that of wheat as there are still large domestic quantities available. Export business of rye has been greatly hindered during recent months by transportation difficulties. Price developments reflect the rather unstable position of rye. Beginning January 1929 there was almost no difference between wheat and rye in Berlin, but the difference now amounts to 20 to 21 cents per bushel. The German flour market was fairly active during the first part of April, but purchases were mainly for current needs. During the last week buyers have become more reluctant under the influence of the newest world market developments. German flour prices, which had been relatively stable, seem to be high as compared with the reduced world market prices. Development of domestic wheat and rye prices is shown in the following table.

GERMANY: Price per bushel of domestic wheat and rye

Date of quotation :	Wheat			Rye
	Hamburg <u>a/</u>	Breslau <u>b/</u>	Berlin <u>c/</u>	Berlin <u>d/</u>
	Cents	Cents	Cents	Cents
Feb. 27	152	141	142	124
Mar. 6	151	143	143	123
Mar. 13	153	146	146	126
Mar. 20	151	148	146	126
Mar. 27	150	145	145	125
Apr. 3	150	145	145	125
Apr. 10	151	147	144	124
Apr. 17	152	148	146	126
Apr. 24	152	147	147	126
May 1	152			124

a/ Wheat of any German district of at least 58.7 pounds per bushel.

b/ Wheat of any German district in carloads of 370 bushels of at least 58.7 pounds per bushel.

c/ "Märkischer" wheat of at least 58.7 pounds per bushel.

d/ "Märkischer" rye of at least 55 pounds per bushel.

Imports of wheat in March were small, although a slight increase from February to March took place. Wheat imports in March were 3,843,000 bushels as compared with 3,216,000 bushels in February and 7,613,000 bushels in March 1928. Wheat exports being 894,000 bushels in March and 919,000 bushels in February were the smallest figures since October 1928. The transportation difficulties are mainly responsible for the small volume of exports during February and March. Arrivals of wheat in Hamburg and Dutch frontier stations indicate that larger wheat imports are to be expected in April than in foregoing months.

Imports of rye in February and March were of practically no importance. As Poland and overseas countries have no export supplies of importance, German rye imports will continue to be very small during the rest of the season. Rye exports of 1,052,000 bushels in March 1929, and 944,000 bushels in February 1929, compared with 1,244,000 bushels in March 1928, were very small due to transportation difficulties. Grain dealers hope that the rye export market will again become active, and the rye price situation during the rest of the season will show improvement.

Wheat and rye supplies in the consuming points of the interior seem to be small at present. Visible stocks of wheat in Berlin (in elevators, barges, railroads) amounted to 422,000 bushels on March 31, 1929, as compared with 404,000 bushels on February 28, 1929, and 1,364,000 bushels on March 31, 1928. The corresponding figures for rye are 750,000, 768,000, and 777,000 bushels. It appears that rye stocks were about as large as last year, whereas wheat stocks were much smaller. The disappearance of wheat and rye (mainly purchases to flour mills, bakers, etc.) in February and March in Berlin was smaller than last year, which indicates that supplies of flour mills and bakers cannot be large.

Farm stocks of wheat in Germany which were available for sale on April 15 were over 5,000,000 bushels less than the amount available on April 15, 1928. Stocks of all other grains, however, were greater than last year. Stocks of wheat remaining on farms were estimated at 24,383,000 bushels, of which 14,471,000 bushels were available for sale. Stocks on April 15, 1928 were estimated at 26,045,000 bushels of which 19,745,000 bushels were available for sale.

The following table gives the estimates of stocks of grain and potatoes on farms in Germany and stocks available for sale on April 15, 1929 with comparisons for last year.

GRAIN AND POTATOES: Stocks in Germany, April 15, 1928 and 1929

Crop	Farm stocks		Stocks available for sale	
	April 15,	April 15,	April 15,	April 15,
	1928	1929	1928	1929
	<u>1,000 bushels</u>	<u>1,000 bushels</u>	<u>1,000 bushels</u>	<u>1,000 bushels</u>
Winter wheat	22,545	20,351	16,854	11,447
Spring wheat	3,490	4,032	2,891	3,024
Winter rye	44,563	69,451	15,915	33,072
Spring barley	7,736	23,871	860	9,283
Potatoes	335,271	439,748	66,226	121,310

Reports received to date continue to indicate that feeding of bread grain is large this year. However, it is very difficult to make a reliable comparison with last year as it is known that an unusually large share of bread grain had to be fed on account of poor quality in 1927-28. There was a strong incentive to feed the poor quality grain as soon as possible, which makes it appear that the heavier feeding was during the first half of 1927-28 with the second half showing a tendency to decline. In the present season relatively low prices rather than poor quality have been the inducement to feed and feeding of bread grain is probably distributed more evenly through the season. The fact that forage crops are delayed this year also has a tendency to increase feeding, but on the other hand supplies of oats and barley still available are materially larger than a year ago and their prices are lower. Small holders who are less familiar with modern feeding methods are using bread grain more than normally, whereas managers of large estates under the present circumstances are ^{not} apt to shift from oil-cake to bread grain knowing that oil-cake may still be more profitable.

It is officially estimated that 4.9 per cent of the acreage sown to winter wheat in Germany has been winter-killed. Approximately 90 per cent of the total wheat acreage in Germany is fall sown. Data are not available for the winter area sown for the 1929 harvest, but the winter area in 1928 was estimated at 3,836,000 acres. The winter killing in 1928 was placed at 2.8 per cent and in 1927 at 1.9 per cent of the acreage sown.

The condition of winter wheat as of May 1 was 100 per cent of the average condition as of that date for the years 1919-1928 against 94 per cent as of May 1, 1928. The winter killing of rye is placed at 1.1 per

cent of the acreage sown against 3.5 per cent in 1928 and 2.9 per cent in 1927. The winter acreage represents approximately 98 per cent of the total rye acreage. The condition of the winter crop as of May 1 was 103 per cent of the 1919-1928 average against 97 per cent as of May 1, 1928.

Different plans to stabilize grain prices at a satisfactory level for farmers are now being discussed. The Minister of Agriculture wants to introduce a so-called "Ausgleichsgebuehr", a kind of additional duty which has to be paid only in case the domestic prices fall below a certain point. The money paid as "Ausgleichsgebuehr" would be used to help farmers. It is not yet known whether or when the government will propose a bill of this kind. The leaders of the four large agricultural organizations also ask for introduction of an import and export monopoly. No detailed descriptions of how these plans would be put in operation have been published so far. The socialist party, which has a very strong influence in present policies, is also fighting for an import and export monopoly, but with a point of view which favors consumers rather than agriculturists.

France

April reports indicate an active trade in foreign wheat in the French market. Less important was the turn-over in domestic varieties, chiefly because farmers were occupied with field work during the first half of the month. During the second half of the month offerings of domestic grain became larger as spring sowing was practically finished about the middle of the month. Prospects for the new crop are considered satisfactory on the whole, although some concern has been expressed lately that the cold wave in the second half of the month had introduced some element of uncertainty in the situation.

Italy

Italy's import business, particularly for overseas wheat continued important during April. Naples took most of the Australian wheat imported. March import figures also registered high quantities of wheat and it is thought that requirements to the end of the season will be large.

Belgium and Holland

Business on the Antwerp wheat market varied considerably during April, but an active note prevailed, and the turn-over for the month as a whole was considerable. This market reflected overseas developments very closely with price tendencies in coincidence with those in overseas markets. Visible stocks at Antwerp on April 15 amounted to 2,451,000 bushels as compared with 1,736,000 bushels on March 31 and were considered very large compared with last year. Dutch wheat import markets assumed increased activity toward the end of March, and there was a good volume of business in April. Purchases were made for the Dutch flour mills as well as for mills in the Rhineland, where there was an especially good demand.

Danube Basin

The wheat markets in the Danube Basin showed brisker business in April than in any of the preceding weeks, with a more rapid movement of grain into consumptive channels. Prices were rather firm during the first half of the month and weakened somewhat during the second half, but the turn-over was important during the whole period. Markets of Austria, Czechoslovakia, Hungary and Yugoslavia showed activity, while those of Rumania and Bulgaria were quiet.

Conditions of seeded grain in both Austria and Czechoslovakia are considered satisfactory with wheat above average and rye also above average, Spring work, however, is greatly delayed in both countries and it is feared that the recent unusual cold wave has reduced crop prospects. Grain crops in Hungary are reported fairly satisfactory as a whole. However, in some parts of the country winter-kill, according to an official report, has been as high as 20 to 50 per cent in the case of winter wheat and 10 to 40 per cent in the case of winter rye. This, however, applies only to a very small part of the country where the snow-cover was removed too early by storms. In other parts of Hungary the winter damage is considered small. However, spring work here, as in other parts of Europe, is greatly delayed and fears are expressed concerning the recent cold. The latter is also true of Yugoslavia, where winter kill was important, particularly for oats and barley, but also wheat. In Bulgaria considerable winter-kill is reported, particularly in the case of barley and some winter-kill is also expected in Rumania where the barley acreage may be greatly reduced owing to the late sowing. Warm weather is urgently needed in all these countries.

Yugoslavia reported recently the foundation of a privileged agrarian bank which will have the function to give credits to the farmers co-operative credit organizations, and is hoped to contribute to the relief of the agricultural situation. Hungary reports large stocks of wheat still on hand and maintains hopes for exportation to Italy. In this connection they expect soon the ratification of the commercial treaty with Italy, concluded three months ago.

Poland

During the past month, prices in the Polish wheat and rye markets continued to increase. The Polish Government, according to newspaper reports, intends to sell grain from the Government stocks bought last Fall to stabilize prices. Farm delivery was small in March and during the first half of April. Some trade circles think that the wheat stocks in Poland are not sufficient to cover the needs for the balance of the season, and that Poland will be a buyer of wheat from now on. In spite of the high wheat duty of 33 cents per bushel some wheat has recently been imported from Germany. No reliable reports about the condition of winter and spring crops are available up to this time. Field work is very much delayed and the development of crops, especially of spring grains, is materially behind schedule. An official estimate of the acreage of winter grain has recently been issued. The winter wheat acreage is estimated to be 3,340,000 acres and 14,974,000 acres for winter rye and 191,000 acres for winter barley. The increase as compared with last year amounts to 1.2 per cent for winter wheat, 2.2 per cent for winter rye and 0.1 per cent for winter barley.

Soviet Russia

It is now openly admitted by Russian Government officials that the supplying of the domestic grain market presents considerable difficulties at present. The speech of Rykov, the Chairman of the Council of Peoples' Commissars, delivered at the Moscow meeting of the Soviets in April, indicated that the Government will not be able to cover the grain requirements of the total population out of the Government and cooperative procurings. The fact that Soviet Russia has not imported any grain up to the present, the rumors about shipments of wheat to Constantinople being intended for Black Sea ports not considered, is probably due to financial difficulties. However, foreign trade keeps on reckoning with Russian purchases of wheat. Present information indicates that Russia will have to enter the market and reports that the Russians have sent a commission to Rotterdam to investigate the market and to Paris to study the financial possibilities seem to confirm the above statement.

The rationing system of bread now in force in almost all cities of the Union was introduced in order to ensure a supply of cheap bread for the "working" population of the cities and industrial centers. At the same time, it had for its purpose the cutting-down of grain requirements by preventing speculation and thus leaving larger quantities for the consuming circles of the peasantry, or, as Rykov put it, the "rural population most in need". The remaining circles, both urban and rural, will be obliged to cover their requirements on the free market, the turn-over of which was estimated at more than 18,000,000 short tons yearly (peasant turn-over included). However, as is well known, prices on the free market are 3 to 4 times as high as Government prices.

The current difficulties of supplying the population with grain are partly caused and have been brought to a head by the unsatisfactory development of the grain procuring campaign during the past months, but the unfavorable grain production situation in 1928 and the increasing consumption of bread per capita, together with the rapidly increasing population, are the important basic causes. Only local reports on grain procurings since January are available, as the reports of the Peoples' Commissariat of Trade previously published at least twice a month have not appeared since that date. However, even these few reports suffice to indicate the unfavorableness of the situation. Thus, March procurings in Siberia, which had an excellent crop this year, were 30 per cent below the February figure, which in turn was 15 per cent below January.

The estimate of the cereal crop for 1928 has been steadily reduced and is now placed at 80,700,000 short tons or 36,000 short tons below the previous year.

Much importance is attached to the 1929 spring sowing campaign, the organization of which began earlier than usual this year. The stipulation of the Council of Labor and Defence provides for a 7 per cent increase of the acreage and a 3 per cent increase in the yield, but acreage increase in certain regions is to reach 12 per cent, depending upon the production potentialities of the regions in question. Organization defects complained of at the preparatory stage of the campaign, such as the disastrous situa-

tion in the production of additional parts for tractors, poor condition of the machine repairing centers etc. have been at least alleviated, though not completely overcome. In spite of all efforts to the contrary, there are still considerable disadvantages, though on the whole the situation is brighter than a month or two ago. Shortage of draft cattle and feedstuffs, as well as poor condition of working animals because of the shortage of feedstuffs remain unfavorable factors. Thus, the four main grain producing regions of R.S.F.S.R. North Caucasus, Central Fertile region, Middle and Lower Volga regions are reported to have 20-40 per cent less working horses than in prewar times with consequent increased use necessitated per draft unit and resulting poorer preparation of the soil. However, measures have been taken to alleviate the situation by helping the peasants in need of draft power with so-called "tractor columns" which move from farm to farm to accomplish the necessary field work. Credits for purchasing cattle and other measures in the same direction have been provided for. It is reported that the cooperatives have been successful in making contracts with the growers for grain acreage.

According to the Russian press, an important factor hampering the successful carrying-out of the sowing campaign is the attitude of the more prosperous peasants (kulaki) who are agitating against the increase of acreage and application of improved agronomic measures, such as grain grading and cleaning, by starting false rumors. They are also endeavoring to offset the favorable impression made by the announcement of the new agricultural tax which provides the poor and middle-class peasants with a stimulus to expand their acreage. They are trying to persuade the poor and middle-class peasants that the Government does not intend to "keep its promises" and will cancel the taxation alleviation foreseen by the tax. Government organs, on the other hand, are attempting to inform the peasants of the actual meaning and purpose of the tax and thus to lead them to expand their acreage accordingly, but complaints are made that in some sections the peasants have not even heard of the new law.

Spring has been delayed for several weeks nearly everywhere, Siberia excepted, sowing having started there 25 days earlier than last year. Reports from southern Ukraine and North Caucasus indicate the commencement of sowing around April 15, however, a few days later reports from Odessa in Ukraine and Rostov-on-the-Don in North Caucasus indicate cold weather and abundant snowfall. As yet no information has been received as to damage done to crops by this recent change in the weather.

The condition of winter-sown crops is, on the whole, reported satisfactory, with winter-kill not above normal, although winter wheat suffered somewhat from insufficient snow-cover in parts of North Caucasus and Middle Volga region.

Oriental wheat situation

The Orient has been an important factor in the wheat market this year. The imports of wheat into Japan from July 1 to April 1 amounted to over 20 million bushels compared with 12 million bushels last year. Canada and Australia have shared this business with the United States. China has also taken a good share. The flour imports of Hong Kong in 1928 were the largest since 1924.

American Consul Shantz at Hong Kong reports:

"The greatest competition for American flour in this territory is coming from Canada and the increase of Canadian flour in recent years has been marked. It is said that heretofore this market has been averse to Canadian Straight flour on account of its dark color, but that this year the Chinese have begun to use it. Although it is darker than American Straight flour, it is reported to be nearly 10 per cent cheaper and the Chinese buyers are therefore viewing it with greater favor.

"The following table shows the origin of the flour imports (into Hong Kong) during the past two years:

<u>From</u>	<u>1927</u>	<u>1928</u>
United States	3,007,898 bags	3,362,058 bags
Canada	737,057 "	1,012,055 "
Australia	<u>187,257</u> "	<u>147,536</u> "
Total	3,932,212 "	4,541,649 "

"No figures are available as to the native flour imported into Hong Kong from Shanghai or North China, but it is not believed that any was imported for consumption. According to some merchants, there has always been a threat that the Chinese mill flour would eventually dominate this market, but the uncertainty of the quality coupled with the difficulty of obtaining regular supplies of wheat due to civil war and other circumstances, makes it seem likely that American and Canadian flour will continue to dominate the market for some years to come.

"The following are the approximate averages of flour quotations reported in the Hong Kong Fortnightly Prices Current and Market Report for the beginning of January and the end of December, 1928, converted into United States currency:

	<u>1928</u>	
	<u>January</u>	<u>December</u>
American Patent	\$ 2.15	\$ 2.10
" Straight	1.55	1.50
" Cut Off	1.65	1.60
Australian No. 1	1.75	1.60
Canadian Cut Off	1.50	1.45
" Straight	1.45	1.40
" Mixture	1.40	1.40
" 2nd Clear	1.35	1.35

"The flour market was reported to be very weak at the end of 1928 and the following stocks were on hand in Hong Kong.

American	350,000 bags
Canadian	100,000 "
Australian	<u>50,000</u> "
Total	500,000 " "

WHEAT, INCLUDING FLOUR: Net exports from principal exporting countries, years beginning July 1, 1923-24 - 1927-28

Country from which exported	1923-24	1924-25	1925-26	1926-27	1927-28	Estimate 1928-29	Net exports recd. July 1: 1927-1928	28	29
	Min.	Max.	to						
	Mil. bush.	Mil. bush.	Mil. bush.	Mil. bush.	Mil. bush.	Mil. bush.	Mil. bush.	Mil. bush.	Mil. bush.
United States	132	255	32	206	191	145	165	May 4	a/179
Canada	343	194	320	305	305	410	430	Mar. 31	235
Russia	21	1	27	49	7	9	-10	May 4	5
British India	18	45	7	9	13	-8	-12	Feb. 28	10
Hungary	17	15	19	21	22	18	21	Feb. 28	16
Rumania	d/ 6	4	8	11	7	1	2	Dec. 31	7
Bulgaria	d/ 2	dc/-2	4	2	2	-	-		-
Yugoslavia	d/ 6	9	12	10	1	10	11	Dec. 31	1
Algeria	d/ 9	c/ -1	5	c/ -1	5	5	6	Mar. 31	3
Argentina	170	125	100	138	178	130	210	May 4	147
Australia	83	124	77	97	73	110	125	May 4	55
Total all countries listed	807	769	671	847	804	871	946		653

a/ Exports through May 4 less imports through March.

b/ Less than 500 bushels. c/ Net imports. d/ Year ended July 31.

WHEAT, INCLUDING FLOUR: Net imports into European importing countries, 1923-24 - 1927-28 and estimates of probable imports, 1928-29 as indicated by reports to date

Country	1923-24	1924-25	1925-26	1926-27	1927-28	Estimate 1928-29	Net imports recd. July 1: 1927-1928	28	29
	Min.	Max.	to						
	Mil. bush.	Mil. bush.	Mil. bush.	Mil. bush.	Mil. bush.	Mil. bush.	Mil. bush.	Mil. bush.	Mil. bush.
United Kingdom	210	216	133	217	211	195	210	Mar. 31	160
Italy	70	96	64	87	87	85	95	Mar. 31	52
Germany	30	71	56	94	92	75	90	Mar. 31	71
France	51	41	34	53	54	35	40	Jan. 31	43
Belgium	40	39	39	40	42	35	45	Feb. 28	28
Netherlands	27	26	23	23	31	29	31	Mar. 31	24
Czechoslovakia	19	23	19	21	21	17	20	Feb. 23	14
Greece	19	22	19	20	a/20	13	20	Jan. 31	10
Irish Free State		19	19	20	19	13	20	Feb. 25	13
Austria	17	16	15	17	16	16	15	Dec. 31	9
Switzerland	16	14	14	17	13	15	17	Mar. 31	15
Sweden	12	11	6	6	9	7	8	Mar. 31	7
Norway	6	5	6	6	7	7	8	Feb. 28	5
Other Europe	19	29	14	21	25	-	-		16
Total above	136	628	521	647	652	585	662		467
Principal non-European count.						200	216		
Total above in importing count.						785	872		

a/ Rough approximation.

b/ Net export.

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

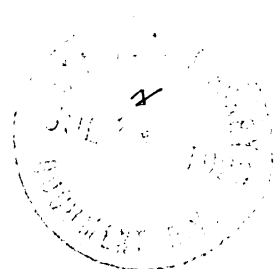
F.S.
WH-36

June 15, 1929.

FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS



Reports of seeding, winter killing, and areas remaining for harvest, received to date by the Foreign Service of the United States Department of Agriculture indicate that the world's area to be harvested in the 1929-30 season may be about the same as harvested in the 1928 season. Weather and crop condition reports to June 12 indicate that the world's wheat crop, outside of Russia and China, may be about five per cent smaller than last year. The higher crop forecasts reported to date are expected to be more than offset by lower yields in Canada and some European countries, also a smaller crop in Argentina.

The world's wheat stocks on July 1 will be larger than on July 1, 1928. Most of this increase will be in the United States. Delayed harvests and active demand in northern Europe will provide a market in July and August for part of this increase in carryover. Furthermore the increased carryover probably will be more than offset by a reduction of the world crop. Both the annual increase in world demand and reduction in supplies would tend to raise prices. It therefore seems likely that world market prices for wheat through the 1929-30 season will average somewhat higher than they have through the 1928-29 season.

World wheat acreage, production, and crop conditions

The area of wheat reported to date by 22 countries totals nearly 141 million acres, an increase of 6 millions or 3.8 per cent over the corresponding areas last year. Last year the corresponding areas accounted for 56 per cent of the estimated world total acreage outside of Russia and China. Most of the increase in area, 4.2 million acres, reported to date is in the United States and is due to a lighter abandonment of the winter sown acreage. The wheat area in 13 European countries is reported at 57 million acres, or one million in excess of last year. Reports indicate that abandonment or winter killing is greater than last year and will probably offset the slight increase in acreage. Farmers have indicated their intention to make a slight reduction in the spring wheat area of the United States. The Canadian area may be increased slightly. Reports indicate a decrease in Manitoba, an increase in Alberta, and little change in Saskatchewan. Seeding has been delayed in Argentina by scarcity of moisture. The "Times of Argentina" indicates a decline in area seeded on account of droughty conditions. Some trade sources are indicating a decrease of 15 per cent from the area harvested last year. Low prices may also tend to discourage planting. Australia, on the other hand, reports satisfactory conditions for seeding and prospects of some increase in area. Present indications, therefore, are for a world wheat acreage about the same as last year.

The 1929 harvest in the Northern Hemisphere has begun. India, Morocco, Algeria and Mexico have harvested or are harvesting their crops and a beginning has been made in the United States. The estimates and forecasts of the production of these crops total one billion bushels as compared with 931 million last year.

WHEAT: Production, estimates and forecasts to June 12, 1929

Country	: 1926	: 1927	: 1928	: 1929
	: 1,000 bushels	: 1,000 bushels	: 1,000 bushels	: 1,000 bushels
United States,	:	:	:	:
winter	: 627,433	: 552,747	: 578,964	: 622,143
Mexico	: 10,333	: 11,890	: 11,031	: 11,492
Morocco	: 16,174	: 24,618	: 22,193	: 28,623
Algeria	: 23,551	: 28,323	: 30,302	: 31,783
India	: 324,651	: 334,992	: 288,311	: 313,973
Total, 5 count	: 1,002,142	: 952,570	: 931,301	: 1,008,019

Weather and condition reports to date, however, indicate that the world's crop for 1929 is not likely to equal that of 1928. The condition of the Canadian spring wheat crop is officially reported to be equal to the ten year average. Climatic conditions during the season to date have not been favorable to the development of a crop equal to that of last year. Analysis of fall, winter and spring precipitation and temperatures indicates that the Canadian yield is likely to be about 15 to 16 bushels per acre as compared with over 22 bushels last year. The analysis is presented later. Should conditions for the remainder of the season be favorable in every respect, these yields might be exceeded, but probabilities are against it. Germany reports heavier abandonment and crop conditions to date indicate a yield of about 27 bushels to the acre as compared with 33.2 last year.

The condition of the French crop is also relatively low and the yield is likely to be below that of last year. With a bad start the Argentine crop can hardly equal the very large crops of the past two years.

Considering all these facts, it is reasonable to expect that the world's wheat harvest outside of Russia and China for the present season will be at least five per cent under that of 1928.

Carryover

It seems likely that the world wheat stocks or carryover at points for which records will be available, as of July 1, will be about 150 million bushels in excess of the stocks on hand July 1, 1928. Most of this increase will be in the United States. At the present rate of shipments and disappearance, the excess of 170 million bushels as of April 1 will be reduced. Exports of wheat and flour from the United States since April 1 have been five million bushels in excess of those of the corresponding period last year. In the same period Argentina has shipped eight millions in excess of last year. If supplies in Argentina and Australia have been accurately estimated, the stocks in these countries on hand July 1 will be about the same as a year ago. Canada still has larger supplies, and the stocks in Canada, also of Canadian wheat in the United States, on July 1 will probably be somewhat larger than a year ago.

The carryover of wheat in the United States on July 1 may be as low as 225 or as high as 270 million bushels, depending on how much will have disappeared as feed or in other ways not accounted for by exports, mill grindings, and seed. The year began with an estimated crop of 903 million bushels and a carryover of 129 millions, making the domestic wheat supply 1,032 million bushels. Exports to June 1 amounted to 150 million bushels of wheat including flour, to which may be added ten millions in June, making a total export of 160 millions as compared with 206 millions exported last year. This reduction in exports will be added to carryover.

Taking either the March or April stock figures as a basis, it seems likely that the carryover will be increased more than by the reduction in exports. Stocks reported as of March 1 in country mills and elevators, and April 1 in other positions total 424 million bushels. Should the exports of grain April to July 1 amount to 20 million bushels, as now seems possible, the mill grindings equal last year's, 128 millions, and the unaccounted for disappearance as feed, etc., amount to the same as last year, 21 millions, the carryover would be 255 million bushels or 126 millions in excess of last year. The unaccounted for disappearance, of course, is quite uncertain and may be more or less than last year, and the carryover may vary from 255 million bushels as this item varies. With reduced freight rates to assist exports and a delayed harvest in northern Europe, this increased carryover may very largely disappear as a factor in the world situation by the last of August.

Foreign market conditions

Wheat continues to move in large volume from surplus producing to consuming areas. The large volume shipped from Argentina, together with the regular shipments from other countries and some increases from the Danube countries, was taken by European markets, and for the most part has moved into consumption channels. Increases in import duties by Italy and France in response to the decline in prices probably will have little effect upon the European takings of wheat for the remainder of the season. Italy is harvesting a new crop and imports probably would have slackened in any case. France has taken a considerable volume of wheat in anticipation of the increase in duties and soon will be largely supplied with new wheat from North Africa until her own crop is harvested. North and Central European countries, however, will continue to take large volumes of wheat through June and July, and possibly into August. German stocks are low. Notwithstanding heavy imports in May, flour stocks are reported to be low. The domestic supply of wheat in Germany in May was three million bushels below that of a year ago. Low wheat prices are stimulating consumption. The only offsetting factor is cheap rye. Germany has plenty of rye. Poland has released rye and is encouraging its export. It is believed, however, that Poland will import more wheat as a consequence of releasing rye. Russia remains an uncertain factor in the market. The government is making strenuous efforts to avoid importing wheat. Eventually, however, it may be necessary to import some before the new crop is available.

The takings of the Oriental market seem to have slowed up to some extent. The imports of wheat into Japan during April were below the monthly imports of the previous three months. The export demand for flour from Japan in May was reported weak. The decline in both wheat and flour prices, however, may stimulate takings.

Prices

Cash wheat prices in the United States continued to decline into the last week of May and then turned upward. Farm prices as of the middle of May averaged 90.1 cents per bushel, a decline of 9.7 cents from the middle of April. The average of all classes and grades at six markets declined from 103 cents a bushel, the week ended May 17, to 95 cents the last week in May. All classes of wheat shared in the decline. Likewise all classes have shared in the rise in prices in the early part of June. A similar drop and recovery in prices was recorded in the principal foreign markets.

Should world crops outside of Russia and China turn out to be 5 per cent less than last year, this reduction would more than offset the increase in carryover and reduce to that extent the world's supply. Other conditions remaining the same, the increase in world demand would then result in some increase in the average world market price for the season over the average for the past season.

Should the world supply turn out to be as indicated above, the prices of all classes of wheat would be strengthened as compared with the average for the past year excepting possibly soft red winter. In the past year No. 2 soft red winter in St. Louis has sold at an average of 20 cents above the price of No. 2 hard winter wheat at the same market, and the monthly differences of range have been from 31 cents in September to 9 cents in May.. This may be taken as an index of the higher prices paid for soft red winter wheat the past year on account of the shortage of the supply of that class of wheat. The June forecast of wheat production by States indicates that the soft red winter wheat crop this year will be close to 200 million bushels as compared with 140 million last year. Since this is more than the usual domestic requirements for this class of wheat, it seems likely that prices of soft red winter will be held close to those of hard red winter in the coming season. Since the supply of hard red winter (production plus carryover) now seems to be about the same as for the past season, prices possibly will continue to be fairly closely in line with world market prices and would be favorably affected by a rise in the world price level. The white winter wheat crop appears to have been reduced and the price of that class of wheat, therefore, is likely to be well maintained as compared with that of other classes. The situation with respect to durum and spring wheats is still quite uncertain. The forecast of the wheat crop in Morocco indicates that competition from North Africa may be greater than last year, but this may be more than offset by the reduction in the crop of the United States on account of reduced seedings. The supply of hard red spring wheat is still to be determined. A reduction in the Canadian crop would strengthen the price for this class of wheat in relation to the world market prices for other classes of wheat.

As stated last month the prices of all classes of wheat are likely to fluctuate greatly with reports of crop prospects in the next two months. Heavy marketings of new wheat in the next month together with favorable crop reports may give rise to short periods of depression but, should conditions develop in Canada, Argentina and Europe, as now seems possible, the general level of cash prices is likely to be lifted upward to some extent as the harvesting season in the Northern Hemisphere progresses.

In the season ending June 30 the courses of the prices of several classes of wheat in the United States have been similar to those of the 1923-24 season. World crop prospects are now similar in many respects to those of the 1924-25 season and if crops develop as now seems possible the course of prices in the earlier part of the season may be somewhat similar to that of the 1924-25 season. If the world crop is not reduced more than 5 per cent prices in the late fall and winter will not rise as much as they did in the 1924-25 season. See charts of prices.

WHEAT: Weighted average cash price per bushel at stated markets for
corresponding weeks, 1928 and 1929

		:All classes:		No. 2		No. 1		No. 2		Durum, all		No. 2	
Week		and grades		hard winter		dk.n.spring		amber durum		sub-classes		red winter	
ended		:six markets:		Kansas City		Minneapolis		Minneapolis		and grades		St. Louis	
		:1928	:1929	:1928	:1929	:1928	:1929	:1928	:1929	:1928	:1929	:1928	:1929
		:Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Feb	1	: 131	117	131	117	143	131	128	132	121	107	152	144
	8	: 130	117	129	117	140	134	126	132	118	107	152	139
	15	: 131	119	133	118	140	136	127	129	120	109	155	141
	22	: 134	120	136	120	145	139	129	130	123	107	158	145
Mar	1	: 135	117	135	118	145	136	133	126	124	104	161	138
	8	: 137	115	138	117	148	132	133	129	126	102	166	135
	15	: 135	117	136	119	145	132	131	123	125	105	168	139
	22	: 137	115	141	117	147	135	135	123	128	101	170	139
	29	: 137	110	141	112	147	126	135	117	127	96	176	130
Apr	5	: 140	109	143	110	151	129	135	---	128	95	181	130
	12	: 143	112	144	114	152	130	140	118	132	98	186	130
	19	: 156	112	156	113	167	133	146	---	139	98	199	128
	26	: 158	107	165	106	171	125	141	119	140	98	212	122
May	3	: 162	107	169	105	174	128	148	112	140	99	220	118
	10	: 156	101	164	104	168	123	144	113	140	95	204	122
	17	: 147	103	151	103	160	124	136	109	134	96	181	118
	24	: 147	101	153	100	161	121	138	114	135	92	179	116
	31	: 146	95	155	94	161	112	136	102	131	88	183	110
June	7	: 145	100	151	98	156	118	136	114	131	92	187	111
	14	: 142		149		151		129		127		180	
	21	: 139		149		151		126		124		175	
	28	: 141		145		152		127		124		172	
July	5	: 137		136		153		132		125		172	

WHEAT: Closing prices of May and July futures

Date		: Chicago	: Kansas City	: Minneapolis	: Winnipeg	: Liverpool	: Buenos
		:1928	:1929	:1928	:1929	:1928	:1929
		:Cents	Cents	Cents	Cents	Cents	Cents
May futures							
Mar	28	: 144	122	135	114	137	118
Apr	4	: 143	118	134	111	136	115
	11	: 149	121	140	114	142	118
	18	: 158	117	150	110	150	115
	25	: 160	113	152	105	151	111
May	2	: 157	113	152	106	152	114
	9	: 152	104	150	96	148	103
July futures							
May	16	: 148	108	139	101	144	108
	23	: 153	106	145	99	150	106
	29	: 144	100	136	93	141	99
June	6	: 142	109	134	102	140	107
	13	: 139		132		139	
	20	: 138		131		137	

a/ Prices are of day previous to date of other market prices. b/ June future.

World Wheat Supplies and Prices

The effect of supply upon wheat prices can be judged from the prices at which wheat has sold during recent years. The price depends upon many things, but chief among these is the supply which is to be had. The world wheat crops of 1923 and 1928 were very large and prices were low. In 1924, on the other hand, the crop was unusually small and prices were high.

The wheat requirements of the world are constantly growing and supplies have, on the average, increased rapidly enough to take care of these growing needs. In the quarter of a century prior to the World War, the wheat supply of the world increased at the rate of about 74 million bushels per year and, as the value of wheat did not fall during this period, wheat requirements appear to have increased at least as rapidly as production. At the present time the rate of increase in requirements appears to be about 70 million bushels yearly, thus the supply of 3,877 million bushels in 1923-24 was equivalent to a supply of 4,227 million in 1928-29 or of 4,297 million bushels in 1929-30.

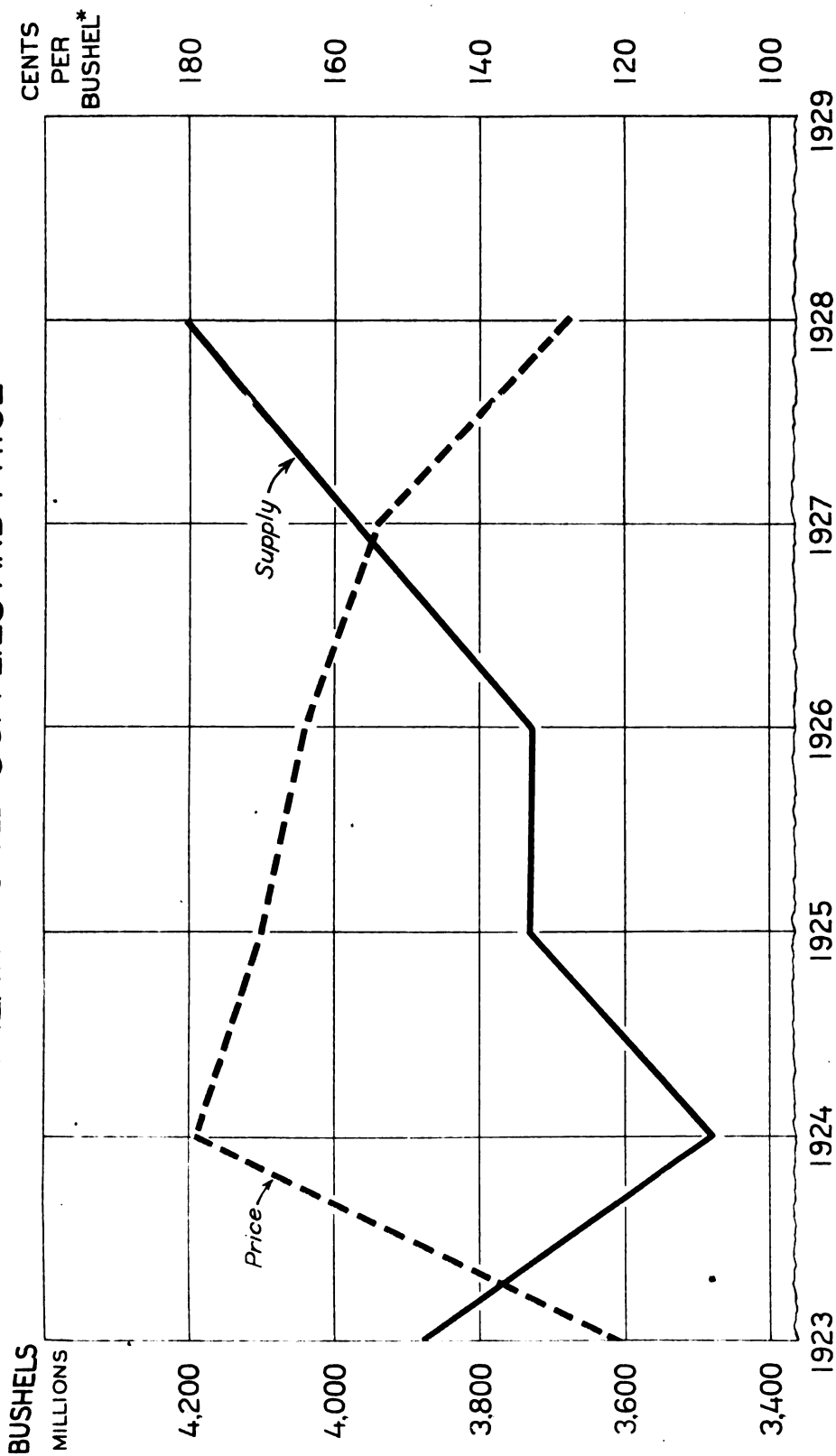
The accompanying charts show graphically the relationship between the world supply of wheat and average prices in Great Britain. In Figure II the supplies shown for the various years are not the actual supplies, but their equivalents as of 1928 when the yearly increase of 70 million bushels in requirements is allowed for. The heavy line drawn in Figure II represents approximately the average relationship between world wheat supplies and prices for the crop year 1928-29. The light line represents the relationship for the year 1929-30. It will be noted that, after the yearly increase of 70 million bushels has been met, an increase of 100 million bushels in the supply is, on the average, accompanied by a decrease of about 14 cents in the world price of wheat.

Prices of the various kinds and qualities of wheat vary from what may be called the "world average" price and depend on the supplies of these kinds and qualities as compared with the total supplies. Likewise the prices in various countries differ, depending upon transportation and other costs incident to buying and selling upon the world market and also upon the supplies of wheat in the individual countries. Thus the price of winter wheat at Kansas City is usually below that of a similar quality of wheat at Liverpool.

In order for the United States to sell wheat to other countries, prices in the United States must be "on an export basis"; that is, they must be low enough that wheat may profitably be shipped to Liverpool or other importing markets. When the United States has a very large crop of hard winter wheat, prices must be on an export basis most of the year in order to dispose of the surplus and Kansas City prices will average well below those at Liverpool. On the other hand, when the United States has only a small crop of hard winter wheat, domestic prices need be on an export basis for only a short time to dispose of the surplus, and in such years prices at Kansas City may be expected to average only a little below Liverpool prices.

E.J.W.

WHEAT: WORLD SUPPLIES AND PRICE

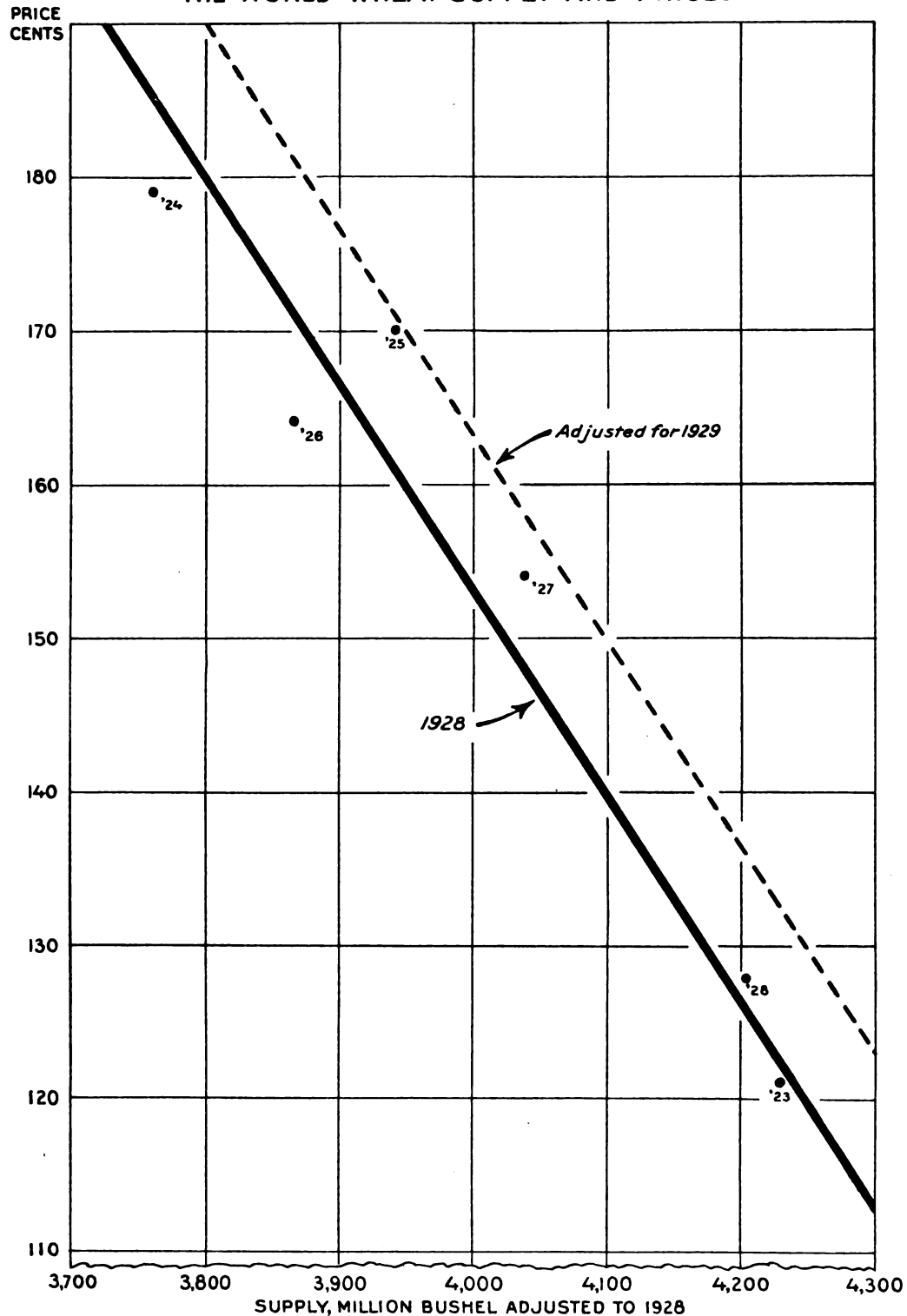


* AVERAGE BRITISH PARCELS REPRESENTING WORLD MARKET PRICES

U. S. DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS

THE WORLD WHEAT SUPPLY AND PRICES



SUPPLIES INCLUDE PRODUCTION AND STOCKS ACCOUNTED FOR JULY 1 AND ADJUSTED TO 1928 BY ADDING 70 MILLION BUSHELS PER YEAR FOR ANNUAL INCREASE IN DEMAND. PRICES ARE AVERAGE BRITISH PARCELS TO REPRESENT THE WORLD MARKET PRICES.

U.S. DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS

Wheat: British Parcels prices and estimated world supply

Year :	Actual estimated :	Supply adjusted to :	British Parcels :
beginning: July 1 :	supply a/ :	1928 normal b/ :	price per bushel :
	Million bushels :	Million bushels :	Cents :
1923	3,877	4,227	121
1924	3,479	3,759	179
1925	3,730	3,940	170
1926	3,726	3,866	164
1927	3,968	4,038	154
1928	4,204	4,204	c/ (128)

a/ See Foreign News on Wheat, May 18, 1929, table page 2.

b/ Supply adjusted for a normal increase of 70 million bushels yearly. During the period 1892 to 1915 the estimated world supply of wheat increased on the average 74 million bushels yearly as indicated by a straight line trend fitted by the least squares method to the production data.

c/ Estimated, as year is not complete.

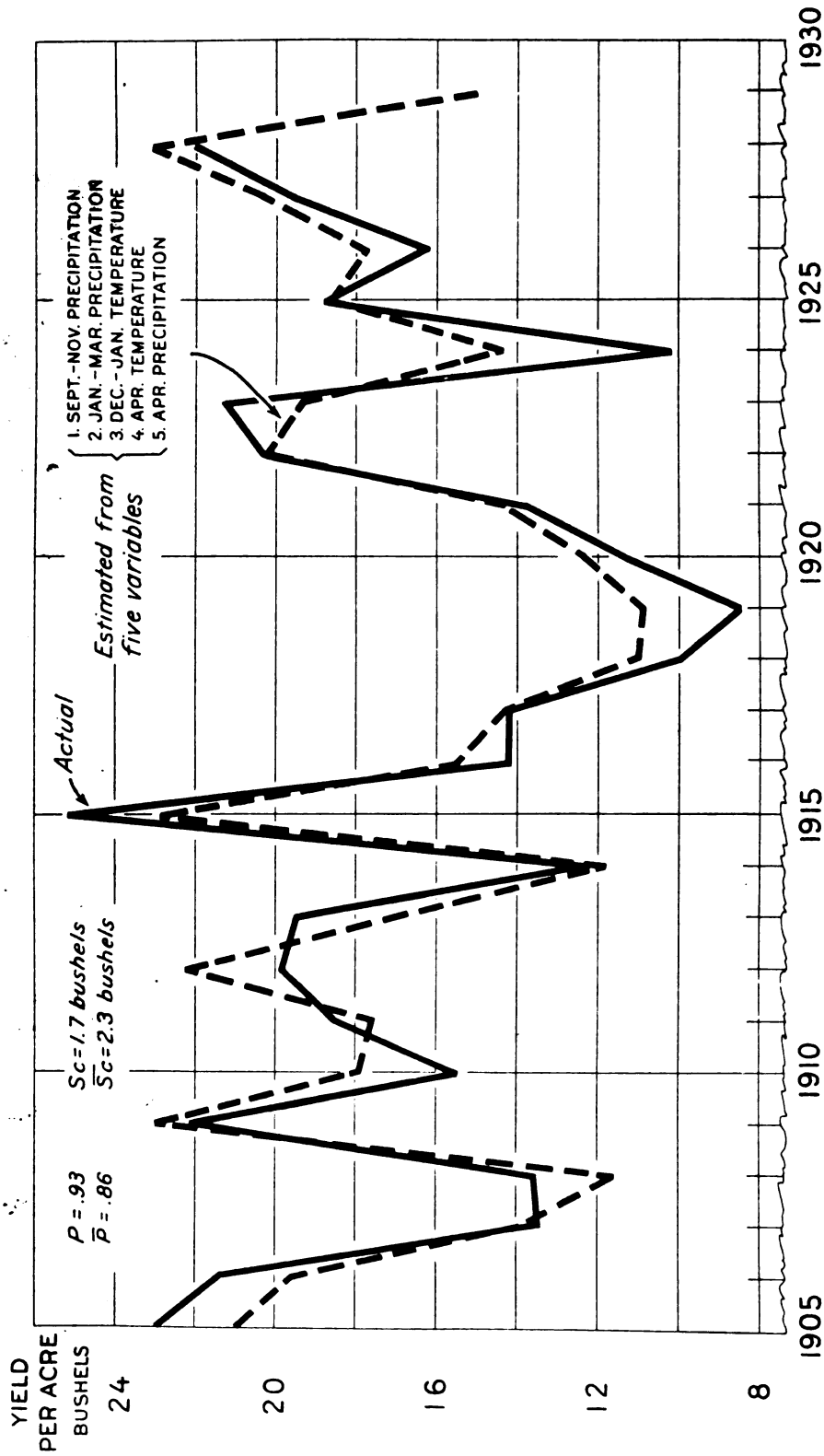
THE CANADIAN WHEAT CROP

Canadian weather conditions for the season to date indicate that Canadian wheat yields may be only about 15 to 16 bushels to the acre as compared with 22 bushels per acre last year. The United States Department of Agriculture has found it possible to estimate Canadian wheat yields fairly closely on the basis of temperature and precipitation in the prairie provinces through the season previous to harvest. Rainfall and temperature, through May, June and July, affect the wheat yields but precipitation and temperature from September to May are also important factors in determining the final outturn of the crop.

Reports of seedings in the prairie provinces to date indicate some increase in area. The Manitoba Free Press report indicates a reduction in Manitoba, some increase in Alberta and possibly a slight increase in Saskatchewan. As a basis for the present calculations, it is assumed that the Canadian acreage will be increased from 24,119,000 to 24,500,000. A yield of 15 to 16 bushels per acre upon this area would produce a crop of about 360 to 400 million bushels as compared with the official estimate of 534 million bushels for the 1928 crop. The wheat crop, however, is still in the balance and the above calculations should be taken merely as a preliminary forecast on the basis of conditions in the early part of the season which ordinarily have an important influence upon the outturn of the crop.

The analysis by which the above conclusion is arrived at is presented below. Saskatchewan contains more than one-half the total wheat acreage of all Canada and the yields per acre in this province have been found to correspond fairly closely with the average for the country.

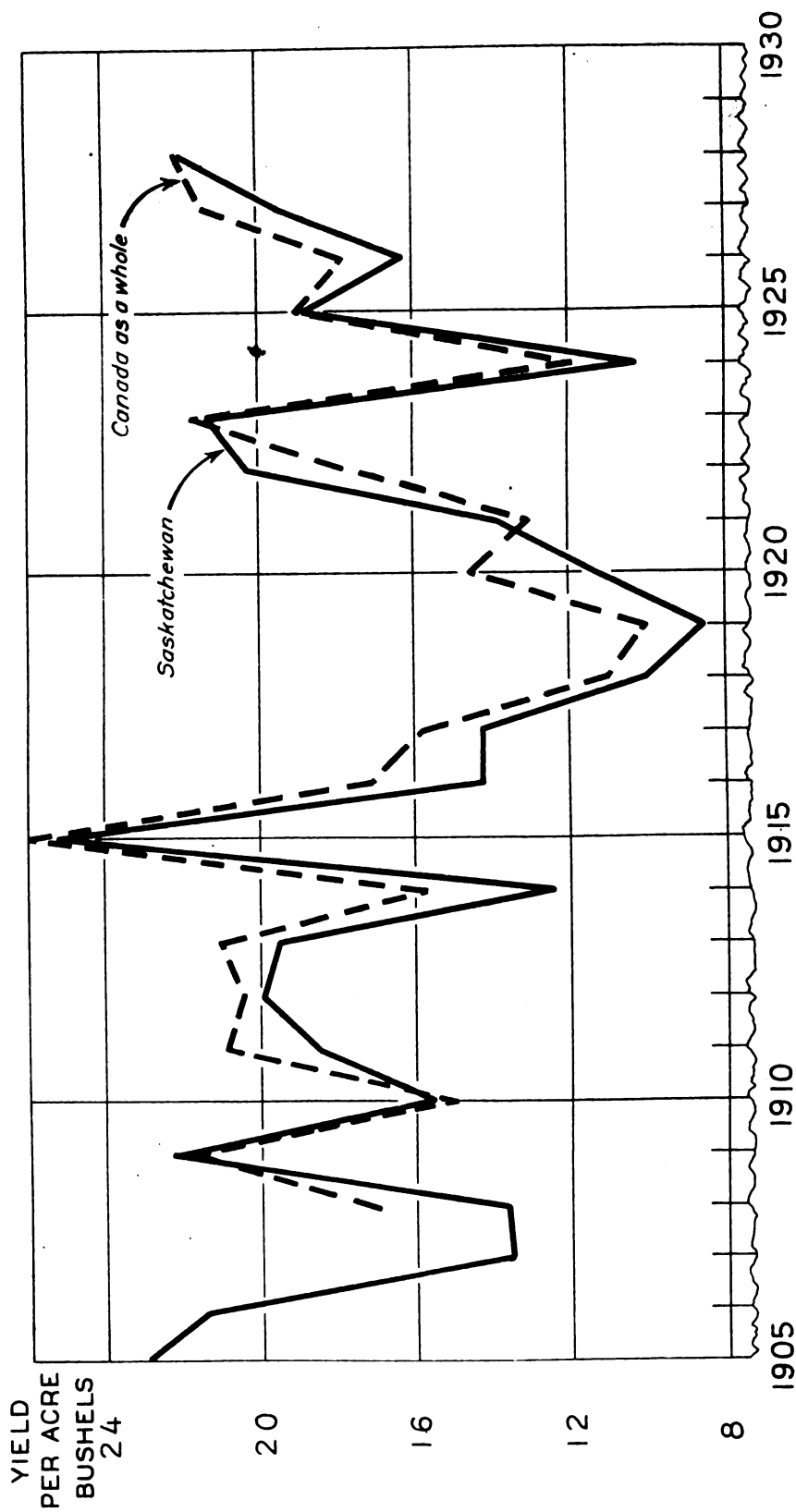
WHEAT: YIELD PER ACRE IN SASKATCHEWAN



U.S. DEPARTMENT OF AGRICULTURE

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WHEAT:YIELD PER ACRE IN SASKATCHEWAN AND IN CANADA AS A WHOLE



BUREAU OF AGRICULTURAL ECONOMICS

U.S. DEPARTMENT OF AGRICULTURE

Yield in Saskatchewan

Though changes in varieties of wheat planted and cultural methods are important in relation to their effect upon wheat yields, weather conditions preceding harvest constitute the all important factor which causes changes in yields from year to year. An analysis of weather conditions preceding harvest in Saskatchewan for the period 1905 to 1928 indicates that fall and winter weather conditions are closely related to yields. The total precipitation in the three months, September to November, appears to be an important factor in determining the amount of moisture available for the crop. Such precipitation is held in the ground over winter and supplements the rain of the late spring and summer months. The January to March precipitation also appears to be closely related to yield though in this case there is an inverse relationship, heavy precipitation being associated with reduced yields. A possible explanation of this is that heavy precipitation during the winter and early spring tends to retard the preparation of the soil and the seeding so that the crop gets a late start, and yet does not add to the moisture available for the crop.

Temperatures in winter and summer appear to have little relation to yield as compared with rainfall. Low April temperatures, however, seem to be associated with low yields, yields tending to be higher with higher temperatures until about the average is reached. Thereafter higher temperatures do not appear to further increase the yield. The average temperature during the two months December to January appears also to have a slight bearing upon the harvest. Years of unusually high average temperatures and years of unusually low average temperatures correspond to some extent with years of low yields.

A multiple curvilinear correlation of the five weather factors, September to November precipitation, January to March precipitation, December to January temperature, April temperature, and April precipitation gives a correlation index of .93. Considering that no weather conditions during the late spring and summer are included, this is a high correlation and gives the basis for significant early season estimates of probable yields. In only six years out of the 24 studied was there a difference of more than two bushels between the calculated yield and the officially reported yield. In only one year was the difference greater than 2.4 bushels. That was 1924 when the calculated yield was 14.4 bushels to the acre and the official estimate 10.2 bushels. In that year the May to July precipitation was one of the lowest in the period studied. The other five years when the calculated yield was over two bushels in error were 1910, 1912 and 1919 when it was 2.3 and 2.4 bushels too high and 1913 and 1915 when it was equally low. The 1919 crop appears to have been hurt by high June-July temperatures in combination with low rainfall in the May-July period. The 1915 yield was helped by low June and July temperatures. 1912 is explained by a combination of winter and summer factors, but no explanation has been found for the deviations in 1910 and 1913.

For 1929 these five winter and spring factors give an indicated yield in Saskatchewan of 15 bushels to the acre. The total September to November precipitation for the stations considered averaged only one inch, which is the lowest of all the years in the period studied. There were five other years having an autumn precipitation of about 1.5 inches. Three of these years, 1908, 1914 and 1919, had yields under 14 bushels to the acre. The other two, 1910 and 1911, had 15.5 and 18.5 bushels respectively. In both of these years, January-March rainfall was more favorable to the crop than in the current year, and April temperatures were more favorable, while April rainfall had a normal effect on the yield. In 1910 the May-July rainfall was slightly below normal and the June-July temperature slightly above normal, while in 1911 the May-July rainfall was slightly above normal and the June-July temperature below normal.

This year, January to March precipitation was about 2 inches, which was approximately normal. The December-January temperature was generally favorable to the crop in so far as it affected it at all. April rainfall was light, which was apparently beneficial for seeding purposes but in view of the autumn drought was unfavorable for growth.

Weather factors now known other than those included in the analysis have so far tended to further reduce the yield rather than increase it. The land in summer fallow, which usually conserves moisture in a dry year better than other seed beds is smaller this year than last, while fall ploughing is increased. Apparently seeding was not quite as early this year as in 1928. The "Free Press" reports 80 per cent sown by May 10 this year against 90 per cent by that date in 1928. An earlier sowing this year would have been more advantageous since the hot temperatures of June and July will probably be more harmful than usual if moisture is deficient. So far the deficiency in moisture is not being offset. The rainfall reported in May was slightly below the average of about two inches and early June rainfall has not been heavy. Low temperatures are also retarding the growth somewhat. Thus the present outlook for Saskatchewan appears to be for less than 15 bushels to the acre rather than more.

Wheat yields per acre in Saskatchewan and in Canada as a whole,
1905-1929

Year	Saskatchewan			
	All Canada a/ Bushels	Dominion official estimate a/ Bushels	Calculated from weather to May 1 b/ Bushels	Calculated from weather to August 1 c/ Bushels
1905	---	23.0	21.0	21.9
1906	---	21.4	19.6	21.8
1907	---	13.5	14.0	15.8
1908	17.0	13.6	11.6	13.3
1909	21.5	22.1	23.0	22.8
1910	14.9	15.5	17.9	18.0
1911	20.8	18.5	17.6	18.4
1912	20.4	19.9	22.2	20.1
1913	21.0	19.5	17.2	16.3
1914	15.7	12.4	11.9	12.0
1915	26.0	25.2	22.9	24.9
1916	17.1	14.2	15.6	14.8
1917	15.8	14.2	14.3	11.4
1918	11.0	10.0	11.0	8.0
1919	10.0	8.5	10.9	7.3
1920	14.5	11.3	12.4	13.4
1921	13.0	13.8	14.3	16.0
1922	17.8	20.3	20.2	19.8
1923	21.7	21.3	19.4	19.3
1924	11.9	10.2	14.4	11.8
1925	19.0	18.8	18.6	17.0
1926	17.8	16.2	17.8	16.7
1927	21.4	19.5	20.3	18.9
1928	22.1	22.0	23.1	23.2
1929	---	---	15.0	---

a/ As reported by the Dominion Bureau of Statistics.

b/ Estimated from five weather factors, (1) precipitation September through November, (2) precipitation January through March, (3) average temperature December-January, (4) average temperature April and (5) precipitation April. $P = .93$, $Se = 1.7$ bushels. $\bar{P} = .86$, $\bar{Se} = 2.3$ bushels.

c/ Estimated from four weather factors, (1) precipitation September through November plus May through July, (2) precipitation January through March, (3) Average temperature December-January and (4) average temperature June-July. $P = .94$, $Se = 1.6$ bushels. $\bar{P} = .91$, $\bar{Se} = 2.3$

Yield in other provinces

The wheat yield of Canada normally follows that of Saskatchewan very closely, averaging about a bushel more than Saskatchewan. It has never been reported more than 3.4 bushels greater and has gone as low as 2.5 bushels below that province. The usual relationship would point to a Canadian yield of about 15 to 16 bushels to the acre in 1929. Early reports for Alberta and Manitoba do not promise a Dominion yield higher than usual as compared with Saskatchewan.

Preliminary studies show the same winter factors to be of importance in these two provinces as in Saskatchewan with one exception. Manitoba normally has a heavier autumn precipitation than either Alberta or Saskatchewan and the heavier precipitation tends to be accompanied by reduced yields.

In Alberta, September to November precipitation this past season was about three quarters of an inch, which was lower than in any other season studied. In the three other years when autumn precipitation was less than 1.1 inches the yield did not go above 11 bushels to the acre. Those three years, however, all had deficient rainfall in the May-July period as well. January to March precipitation was about normal this year thus having little effect on the crop. In so far as December-January temperature has any effect, it probably will improve the yield slightly. April rainfall had a tendency to reduce yields, if anything, and April temperature showed little effect. May rainfall has been about an inch, whereas heretofore May rainfall has averaged about two inches. June rainfall up to the eleventh of the month has been fairly good. The yield this year may not go as low as the 11 bushels of the other years of low autumn rainfall but present probabilities are for about 12 to 14 bushels unless the weather the balance of the season is better than normal.

In Manitoba winter conditions have been more favorable and indicate a probable yield equal to the average of 17 bushels or higher. September-November precipitation was only about an inch which was lower than in any other year studied. Usually low autumn precipitation in Manitoba is accompanied by above average yields but the unusually small amount this year may be too low for best results. January to March precipitation appears to have been favorable to an average yield or better, but its effect is partially offset by unfavorable April rainfall. May rainfall was only about 1.5 inches. The average May rainfall for the period is about 2 inches. There has been almost no rain the first 11 days of June.

L. T. and L. H. B.

The Continental European wheat situation a/

Wheat markets in Continental Europe were generally active through May, according to the Foreign Service of the Bureau of Agricultural Economics. Import purchases were large and for the most part went into consumptive channels, while France was reported to have taken considerable quantities due to the imminent increase of import duties, finally placed in effect May 24. Prices in the import markets declined considerably during May with some sustained tone in the demand for spot and near at hand wheat, because of the large demand for current needs. This shifted the weak point of the market from spot quotations into forward positions, but did not alter the general market tendency which was under the pressure of large world stocks, heavy offerings of Argentine wheat and favorable crop reports from the United States. Reports on the probability of purchases for Russian account have weakened as a market factor, but the belief still exists that Russia will eventually enter the market.

Resistance to the general downward tendency of import prices was evident in domestic wheat, because of low stocks and good demand for current requirements. In France the expectancy of better prices through increased import duties and some uncertainty in the crop outlook in important sections restricted farm offerings and contributed to the firmer undertone for domestic grains. In Germany and the Danube Basin, however, increased farm offerings were evident as the crop outlook showed gradual improvement through beneficial weather, but wheat stocks reported in the former are now below a year ago. The sustaining influence in the domestic market was not sufficient to offset the general market tendency, and important price declines were experienced. These declines were particularly extensive in the case of rye as farm stocks available for sale in the important producing districts remained large and offerings from Poland at very low prices were resumed around the middle of the month.

Shipments of wheat from the Danubian ports during the first two weeks in May were larger than in any week since the end of November, whereas at the same time last year they were practically nil. This shows some revival of export business activity in southeastern Europe.

The trade's present opinion is that price developments from now on, particularly for bread grains, will be very sensitive to reports on crop conditions, but that the abundant supplies available will remain the chief determiner of the general price level. It is also thought that the Continent's import takings will be large during the coming months and that the low price of bread grains has already led to some increased consumption of bread cereals, both as food and as feed. The delayed growth of the new crop in Europe is not so important a factor toward increased dependence on foreign supplies as a month ago, because of the fact that favorable weather conditions have enabled vegetation to catch up some of the delay. The crops in Central Europe are now about 10 to 14 days late, compared with three weeks at the beginning of May. Because of the delay, however, favorable weather from now on is extremely important for the new crop.

a/ Owen L. Dawson, Acting Agricultural Commissioner, Berlin, May 27, 1929

Reports on crop conditions in Continental Europe indicate that the winter-kill in Central Europe was about normal, though larger than last year in the case of wheat, and even below normal in the case of rye. In the Danube basin and in Western Europe, especially in Northern France, Belgium and Holland, winter-kill is reported to have been extensive.

Spring sowing is now completed practically everywhere. Weather conditions during May have been rather favorable for the development of winter and spring crops. Temporary drought in Western Europe and in the Northern part of Central Europe early in May, as well as in the Balkans during the first two May weeks caused some uneasiness, but good rains fell in due time and changed the situation materially. The area planted to corn this year is reported considerably increased in Southeastern Europe.

Crop reports from individual countries, both official and private, received to date indicate the following:

Conditions in Germany are fairly satisfactory on the whole. According to June reports, however, winter killing is now placed at 6.3 per cent as compared with the estimate of 4.9 per cent a month ago. The condition of winter wheat as of June 1 was 94 per cent of the average of the past ten years, while the condition of spring wheat was 97 per cent of the ten-year average. Winter rye condition is equal to the average of the past ten years, while spring rye is three per cent below. Czechoslovakia and Austria have above average condition of wheat and rye or about the same as last year. May weather was favorable. Crop conditions in Denmark are reported to have considerably improved in consequence of good weather. Winter-kill was small. In Poland early winter-kill reports were exaggerated and the winter-kill of wheat, though above last year, does not appear above the usual; it is even below in the case of rye, but possibly extensive in the case of barley. The condition of the grain crops in Poland has improved steadily during the past two months and according to the latest official report indications are for yields above 1928. The condition of rye and wheat in Latvia is medium to good, winter-kill was not extreme, and smaller in the case of rye than in the case of wheat.

Franco, Belgium and Holland, which report material damage to winter crops in important sections, also complained of partly unsatisfactory development of spring crops. Wheat in France is reported late and thin in the North, elsewhere in fair condition. Good weather from now on is, however, needed, and with the loss the crop has already experienced through winter and spring damage, the trade expects only a medium wheat crop. The condition of the French crop as of May 1 is reported to be 64 as compared with 65 last year. Italy reports mostly satisfactory condition of the grain except that moisture is needed. Present prospects in Spain are for generally good grain crops.

Hungary reported slightly below average condition for winter wheat and rye, although the stand is rather thin in places. Improvement was registered during May. No particular complaint on Yugoslavian crops is reported. In Rumania and Bulgaria rains in the second half of May were very beneficial and improved the crop outlook for the time being, but more moisture is now needed. The Rumanian Ministry of Agriculture thinks that

the winter-killing in that country will be offset by increased spring sowing. This may, however, mean substitution of corn for wheat. Spring crops are late owing to delayed sowing.

GERMANY

Wheat prices on the German market were sustained until the last week of May as compared with the American price decline and then weakened under the influence of the overseas markets. While Hard winter No. 2 in New York decreased around 11 cents per bushel between April 20 and May 20, the decline in German wheat prices was only about 4 cents per bushel during the same period. The explanation is said to be that a shortage of spot and near at hand material as a result of low April stocks with the trade and the flour mills, strengthened the German markets considerably. Since the second half of April, however, grain stocks have tended to increase since market arrivals of foreign and domestic wheat were large throughout May. Domestic wheat prices at Berlin declined from 144 cents per bushel on May 15 to 131 cents on May 31.

The price tendency was more pronounced in the case of rye, as stocks available for sale are still large and as recent Polish sales of rye in Germany were effected at prices considerably below the German domestic price level. The price spread between wheat and rye had increased to 25 cents per bushel on May 29, compared with 20 cents per bushel in April and 12 cents on January 23, thus showing the more pronounced drop in the rye quotations. Domestic rye at Berlin sold for 106 cents per bushel on May 31 compared with 125 cents on May 1; by June 4, however, it had risen to 110 cents per bushel.

GERMANY: Price per bushel of domestic wheat and rye

Date of quotation	Wheat			Rye
	Hamburg	Breslau	Berlin	
	a/	b/	c/	
	Cents	Cents	Cents	Cents
April 3	150	145	145	125
April 10	151	147	144	124
April 17	152	148	146	126
April 24	152	147	147	126
May 1	---	147	147	125
May 8	151	144	144	122
May 15	150	143	144	122
May 22	150	142	141	118
May 29	146	132	133	108
May 31	143	130	131	106
June 4	146	136	135	110

- a/ Wheat of any German district of at least 58.7 pounds per bushel.
b/ Wheat of any German district in carloads of 370 bushels of at least 58.7 pounds per bushel.
c/ "Märkischer" wheat of at least 58.7 pounds per bushel.
d/ "Märkischer" wheat of at least 55 pounds per bushel.

April imports of wheat in Germany were large, amounting to 10,545,000 bushels compared with 3,843,000 bushels in March, 1929, and 9,253,000 bushels in April, 1928. Export sales during April and May were quiet, and it is believed that actual export figures during the month will not be much different from the 894,000 bushels exported in March. The trade thinks that Germany will be a heavy importer of wheat during the months to come, through August and probably September on account of the late crop.

Wheat stocks in Berlin increased considerably between April 1 and May 1, but were still much below last year. The April disappearance of wheat in Berlin was very large, much larger than in previous months and also larger than in April, 1928. This indicates a rather active flow of wheat into the consumptive channels of flour mills. Stocks with the latter, which were very low during April, may have increased recently, but are not large.

Farm stock figures of the German Agricultural Council as of May 15, 1928 and 1929, were as follows:

Crop	Farm stocks		Stocks available for sale	
	May 15, 1928	May 15, 1929	May 15, 1928	May 15, 1929
	<u>1,000 bushels</u>	<u>1,000 bushels</u>	<u>1,000 bushels</u>	<u>1,000 bushels</u>
Winter wheat...	14,994	12,719	10,726	7,759
Spring wheat...	2,360	2,261	1,950	1,670
Winter rye....	30,770	52,254	10,080	23,150
Spring barley :	3,976	12,864	215	4,376
Potatoes.....	124,174	206,227	17,936	39,426

This comparison shows that total stocks and stocks available for sale of wheat continue smaller than last year, and the quantities to be kept on the farms remain larger than a year ago. Stocks of rye, however, are still much larger than last year, despite a rather heavy disappearance.

France

The French wheat market showed considerable activity during May with heavy imports of foreign wheat in anticipation of the increased import duties effected May 24. Offerings of domestic wheat, on the other hand, were restricted by the expectancy of increased duties, a higher domestic price level, and to some extent uncertain crop prospects in important areas. Local mills had little difficulty in absorbing limited offers of domestic wheat:

EXTRACT OF IMPORT DUTY RATES, EFFECTIVE MAY 24, 1929

<u>Duty Register</u>		<u>Cents</u>	<u>(Formerly)</u>
<u>No.</u>	<u>Product</u>	<u>per bushel</u>	<u>Cts. per bushel</u>
68	Wheat, Spelt mixed grain	53.31	37.32
	<u>Flour:</u>	<u>Cts. per 100 lbs.</u>	<u>Cts. per 100 lbs.</u>
	milling percent-		
	ago 70 or above	85.30	63.98
	60 to 70	106.61	76.77
	60 or below	122.62	85.30

According to Consul Cochran at Paris, French Customs Warehouses at the end of March held about 1,500,000 bushels more wheat than at the end of March a year ago. These stocks were probably increased in April and May.

Italy

April import figures, which were very high again, apparently bear out the assumption that Italian wheat requirements to the end of the season are still large. Demand for overseas wheat, spot or near to arrive, continued good through May, with the flour mills forming the bulk of the purchasers. Markets showed generally good interest. No. 2 amber durum was very much favored. Prices declined in sympathy with those overseas.

Business in Plate corn was rather active with prices occasionally firm. Oats remained quiet.

The Italian Government increased the grain import duty from 57.78 to 73.54 cents per bushel, effective May 23. The duty on flour was raised in proportion.

Belgium and Holland

The turnover in Antwerp was again rather large during May, particularly in spot and near, later in the month also in forward positions. Prices declined as in overseas markets, but some confidence was established in the lower level of prices. Visible stocks at Antwerp on May 15 amounted to 1,277,000 bushels of wheat, compared with 2,451,000 bushels on April 15 thus showing considerable decrease from the level a month ago.

The Dutch markets reported fairly important business, particularly in Manitoba, for the Netherlands as well as Belgium and Germany.

Danube Basin

May business on the Danubian import markets, Czechoslovakia and Austria, was less important than in other places on the Continent, but fairly large quantities changed hands. Hungary and Yugoslavia registered continued activity in the wheat business and export sales have been satisfactory. Rumania and Bulgaria remained quiet with some revival of export sales in the case of Rumania around the middle of the month. Prices declined in sympathy with overseas tendencies. Old crop stocks in Yugoslavia were reported to amount to 11,000,000 bushels at the beginning of May. Offerings of farmers increased with the improvement in crop conditions and were an important factor in the weakening aspect of the market.

A preliminary official report estimates the sown area 1928-29 in Czechoslovakia as follows (compared with final estimates for 1927-28):

	1927-28 1,000 acres	1928-29 1,000 acres
Wheat	1,871	1,893
Rye	2,486	2,486
Barley	1,779	1,786
Oats	2,074	2,089

The final official 1928 crop estimate for Hungary gives the following figures compared with the previous estimate (in parenthesis):

	1,000 bushels	1,000 bushels
Wheat	99,211	(92,037)
Rye	32,587	(32,528)
Barley	30,671	(27,871)
Oats	27,529	(23,725)
Corn	49,592	(43,324)
Potatoes	54,031	(47,280)

The upward revision in the case of wheat is considerable.

Poland

The price tendency on the Polish wheat and rye market was not uniform and fluctuated considerably. Firmer prices at the beginning of the month gave way to declines later on, but the wheat price level remains high. The most interesting happening there was the heavy increase in offerings of rye within the country and on the German markets. The government is now trying to get rid of the reserves purchased last fall in view of the improved crop prospects. It is expected that the rye export duty will be abolished on June 1, at least temporarily. Other measures to stimulate the export of rye, such as freight rate reductions, etc., have also been taken.

Contrary to the case for rye, there appears to be still considerable need for the importation of wheat, and imports are expected to be large for the remainder of the season. Wheat reserves are exhausted, and the flour mills complain of insufficient supply. It is believed that the necessary importation of wheat will take place against exports of rye, which is more or less on an exchange basis.

Soviet Russia

The expectations of the trade on prospective Russian purchases of grain are weaker than a month ago. This is confirmed by a letter of the Chairman of Arcos just published in the foreign press, strongly denying that the Soviet Union has any intention of buying overseas wheat at present. Financial difficulties and the urgent necessity of adjusting the Russian trade balance are probably the decisive causes, as the domestic grain market continues tense. Although very little has appeared in the Russian press relative to procurings, it seems that developments were not up to expectations and the April procuring plan not executed in most regions. Few figures are available, but it is safe to assume that the deficit as compared with last year has increased rather than decreased during the past month. The attitude of the Government is probably best characterized by the recent statement made by the Chairman of Russian Commissars, Rykov, at the All-Russian (RSFSR) meeting of Soviets: "We still have at present sufficient grain in the country to provide the working class and to a smaller extent the rural population in need". The Russians will probably make strenuous efforts to carry through the difficult situation, without resorting to grain imports, although much depends on future crop prospects and the development of procurings during the balance of the season, as well as the question of financing grain purchases.

The press indicates the necessity of bringing about an increase of procurings during the remaining months of 1928-29 by "persuading" peasants to keep only so-called "insurance" grain stocks and sell the rest, as well as by measures of social boycott. Now that the spring sowing campaign is almost finished in the southern regions and there is consequently no more a possibility of peasants reacting unfavorably on Government measures, the grain procuring organs may force procurings of grain to the greatest extent possible. This will, in the first place, involve the more well to do peasants, who are the chief holders of grain at present and will probably be carried on under the slogan of "class war" with measures which may in some cases not differ widely from those applied a year ago.

The latest official statement as to crop conditions is the bulletin of the Experimental section of the Commissariat of Agriculture to RSFSR dated May 15, which indicated that the beginning of May was characterized by warmer weather throughout almost the whole of the European section of RSFSR. Good rains were experienced in the southern, southeastern and the Central Fertile regions. The Experiment Stations report that the moisture content of the soil is quite sufficient despite dry weather last year.

The setting-in of warm weather influenced favorably the development of winter as well as spring seedlings. Later local newspaper reports continued to indicate favorable weather conditions almost everywhere, the Central Fertile region and the Slavgorodsk region of Siberia being almost the only exceptions mentioned. In the former, there is some danger that some drying out of soil may take place as temperatures around May 15 were about 7 degrees Centigrade above normal. The sowing campaign of early spring crops is finished in most southern regions (Ukraine, North Caucasus, Kasakstan, southern section of Central Fertile region, southwestern section of Volga region) and conditions of spring seedlings are characterized as quite satisfactory. Spring has been delayed by about 3 weeks for the Union as a whole, but was fully four weeks late in the case of Ukraine.

It is as yet not possible to form an opinion as to the extent of winter-kill and damage done to winter crops by the severe winter 1928-29. It seems that winter damage was more than usual in some sections and that resowing was necessary. Recent newspaper reports mentioned the steppe regions of Ukraine and parts of the Central Fertile regions as regions where resowing was necessary. Concerning regions previously reported having suffered from the severe winter (North Caucasus and Middle Volga region) not more statements were made in the Russian press, and mid-May reports from Rostov-on-the-Don (North Caucasus) place winter rye at 4 points and winter wheat at 3 points a/; also the statement was made that warm weather and recent local rains were favorable to crops. The International Institute of Agriculture placed winter-kill in the northern section of North Caucasus at 20-30 per cent and at 0-10 per cent in the southern section of this district. As to the Lower Volga region, winter rye is reported to have come through the winter safely and, on the whole, the crop outlook there is quite favorable. The favorable weather conditions during the first half of May had doubtless a beneficial effect on the crops and it is now stated that winter crops are average, although varying considerably in different sections.

a/ 3 equals average, 4 good.

Wheat balances, by countries, 1926 - 1928

Country, item and period	Year beginning July 1		
	1926	1927	1928
	1,000 bushels	1,000 bushels	1,000 bushels
<u>Germany</u>			
Production	95,429	120,522	141,593
Net imports:			
July-March	64,245	70,812	47,560
April	8,428	8,882	a/ 10,545
May-June	20,831	12,079	
Apparent utilization	188,933	212,295	
<u>Italy</u>			
Production	220,644	195,809	223,596
Net imports:			
July-March	60,961	52,471	65,991
April	8,832	10,984	8,487
May-June	17,350	23,337	
Apparent utilization	307,787	282,601	
<u>France</u>			
Production	231,767	276,123	277,657
Net imports:			
July-February	28,333	45,433	30,807
March	7,160	2,124	3,474
February-June	17,024	6,299	
Apparent utilization	284,234	329,964	
<u>Belgium</u>			
Production	12,801	16,277	17,986
Net imports:			
July-February	24,542	28,389	28,025
March	3,832	3,946	3,127
April-June	11,416	9,831	
Apparent utilization	52,591	58,443	
<u>Netherlands</u>			
Production	5,487	6,156	7,569
Net imports:			
July-March	20,771	23,878	21,908
April	2,162	2,083	2,122
May-June	5,260	5,011	
Apparent utilization	33,680	37,128	
<u>Czechoslovakia</u>			
Production	34,130	40,385	48,250
Net imports:			
July-February	13,631	14,309	12,345
March	1,511	2,088	1,079
April-June	5,850	4,885	
Apparent utilization	55,122	61,667	
<u>Switzerland</u>			
Production	4,244	4,119	4,270
Net imports:			
July-March	14,031	15,247	10,694
April	1,080	1,429	1,969
May-June	2,109	1,751	
Apparent utilization	21,464	22,546	

Wheat balances, by countries, 1926-1928, continued

Country, item and period :	Year beginning July 1		
	1926	1927	1928
	1,000 bushels	1,000 bushels	1,000 bushels
<u>Greene</u>			
Production	12,403	12,970	15,676
Net imports:			
July-February .....	(	11,400	12,900
March	(19,502	2,100	2,000
April-June .....	(	5,500	
Apparent utilization	31,905	31,970	
<u>Denmark</u>			
Production	8,767	9,403	12,125
Net imports:			
July-February	4,024	6,339	9,618
March	379	1,161	999
April-June	2,250	2,981	
Apparent utilization	15,420	19,839	
<u>Poland</u>			
Production	47,080	54,230	59,219
Net imports:			
July-February	58	2,552	3,375
March	751	71	94
April-June	6,485	4,992	
Apparent utilization	54,374	61,845	
<u>Sweden</u>			
Production	12,153	16,151	19,469
Net imports:			
July-March	3,694	6,743	5,352
April	362	863	1,091
May-June	1,884	1,197	
Apparent utilization	18,093	24,954	
<u>Norway</u>			
Production	586	605	676
Net imports:			
July-February	4,082	4,851	5,576
March	659	513	932
April-June	1,200	1,496	
Apparent utilization	6,527	7,467	
<u>Latvia</u>			
Production	1,860	2,636	2,499
Net imports:			
July-January	982	1,139	1,700
February	79	147	184
March-June	576	257	
Apparent utilization	3,497	4,179	

a/ Imports of wheat only.

WHEAT INCLUDING FLOUR: Net exports from principal exporting countries
and net imports into European importing countries 1927-28 and 1928-29

: Net exports reported ::				: Net imports reported			
Country	: July 1	: 1927-28	: 1928-29	Country	: July 1	: 1927-28	: 1928-29
	: to	:	:		: to	:	:
	:	: Million	: Million		:	: Million	: Million
	:	: bushels	: bushels		:	: bushels	: bushels
United States...	June 1	: 184	: 132	United Kingdom	Apr. 30	: 177	: 170
Canada.....	Apr. 30	: 246	: 362	Italy.....	Apr. 30	: 63	: 74
Russia.....	June 1	: 5	: a/	Germany.....	Apr. 30	: 80	: 58
British India...	June 1	: 10	: b/-13	France.....	Mar. 31	: 48	: 34
Hungary.....	Apr. 30	: 20	: 20	Belgium.....	Mar. 31	: 32	: 31
Rumania.....	Mar. 31	: 7	: 4	Netherlands....	Apr. 30	: 26	: 24
Bulgaria.....	--	: --	: --	Czechoslovakia..	Mar. 31	: 16	: 13
Yugoslavia.....	Mar. 31	: 1	: 6	Greece.....	Feb. 28	: 14	: 15
Algeria.....	Mar. 31	: 3	: 4	Irish Fr. State..	Mar. 31	: 15	: 13
Argentina.....	June 1	: 163	: 183	Austria.....	Dec. 31	: 9	: 8
Australia.....	June 1	: 65	: 106	Switzerland.....	Apr. 30	: 17	: 13
				Sweden.....	Apr. 30	: 8	: 6
				Norway.....	Mar. 31	: 6	: 7
				Denmark.....	Mar. 31	: 7	: 11
				Finland.....	Mar. 31	: 4	: 4
				Poland.....	Mar. 31	: 3	: 5
				Estonia.....	Mar. 31	: 1	: 1
				Latvia.....	Feb. 28	: 1	: 2
				Total important:			
Total		: 704	: 804	European coun-		: 527	: 487
				tries.....			

a/ Less than .01 million bushels. b/ Net imports.

WHEAT: Acreage, average 1909-1913, annual 1926-1929

Countries reporting in 1929 a/	: Average : 1909-13	: 1926	: 1927	: 1928	: 1929
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: acres	: acres	: acres	: acres	: acres
Canada b/.....	: 1,019	: 844	: 853	: 819	: 898
United States b/.....	: 28,382	: 36,987	: 37,723	: 36,179	: 40,467
Mexico.....	: 2,174	: 1,286	: 1,311	: 1,283	: 1,238
Total (3).....	: 31,575	: 39,117	: 39,887	: 38,281	: 42,603
Europe (13).....	: 59,541	: 54,934	: 55,262	: 56,295	: 57,309
Africa (4).....	: 6,571	: 8,189	: 7,199	: 7,865	: 8,025
Asia (2).....	: 30,124	: 31,565	: 32,115	: 33,042	: 32,731
Total above count. (22):	: 127,811	: 133,805	: 134,463	: 135,483	: 140,668
Est. world total, win-	:	:	:	:	:
ter and spring acre-	:	:	:	:	:
age, ex. Russia and	:	:	:	:	:
China.....	: 204,200	: 232,500	: 239,200	: 243,000	:

a/ Figures in parenthesis indicate the number of countries included.

b/ Winter acreage only.

Rate reductions on export grain

In addition to the reduction of 2 cents a bushel in the export rate on wheat from Buffalo and other lower lake ports to the eastern seaboard, previously announced, further reductions authorized by the Interstate Commerce Commission in the export rates on wheat and wheat flour from the principal primary markets and shipping points in the Middle West to lake ports and the Gulf and Atlantic seaboard are now in effect. Those additional reductions range from 3.3 cents to 10.5 cents per bushel, and are equivalent to 20.75 per cent and 60.34 per cent, respectively.

The most important reduction, perhaps, is the one from Kansas City and certain other points to the Gulf seaboard, where the rate was reduced from 18.3 cents to 11.4 cents a bushel - a reduction of 6.9 cents a bushel, or 37.70 per cent. The new emergency rates are flat rates applicable to movement of wheat for export only and will expire as of September 30, 1929. Corresponding reductions have also been authorized on wheat flour.

The regular and emergency rates on wheat, in cents per bushel, between the principal points of origin and export centers, together with the amount and percentage of the reduction, are indicated in the following tabulation:

From -	To -	Rate per bushel		Reduction per bushel	
		Regular	Emergency	Amount	Percentage
		Cents	Cents	Cents	Per cent
Missouri river ...	Chicago	14.1	6.9	7.2	51.06
Missouri river					
section	Missouri river	8.1	4.5	3.6	44.44
St. Paul and					
Minneapolis ...	Chicago	13.5	4.2	9.3	68.89
Omaha	Gulf ports	18.9	12.0	6.9	36.51
Kansas City	Gulf ports	18.3	11.4	6.9	37.70
Minneapolis	Duluth	7.8	2.4	5.4	69.23
Omaha	Duluth	17.4	6.9	10.5	60.34
Sioux City	Duluth	14.7	6.9	7.8	53.06
Kansas City	Duluth	11.4	7.8	3.6	31.58
St. Louis	New Orleans	14.1	7.5	6.6	46.80
Buffalo	New York	9.1	7.1	2.0	21.98
Chicago	New York	a/ 13.5	10.2	3.3	24.44
St. Louis	New York	a/ 15.9	12.6	3.3	20.75

a/ Proportional export rate.

Barge Line rates also reduced

Reductions have also been made in the rates via the Mississippi River Barge Line and in the combination rail and barge line rates on movements originating at points in the interior. The regular and emergency rates in effect until September 30, 1929, are as follows:

		Rate per bushel	
To New Orleans -		Regular	Emergency
		Cents	Cents
1. <u>Rail and barge:</u>			
From -			
Atchison, Kans.....	15.00	8.10	
Kansas City, Kans.....	15.00	8.10	
Kansas City, Mo.....	15.00	8.10	
Leavenworth, Kans.....	15.00	8.10	
Nebraska City, Nebr.....	15.00	8.10	
2. <u>Barge line rates:</u>			
From -			
St. Paul and Minneapolis, Minn....	8.88	6.00	
Burlington, Ia.....	8.70	5.82	
St. Louis, Mo.....	6.90	3.60	
Cairo, Ill.....	6.00	2.70	

Canadian roads make reductions

The reduction in the export rate from Buffalo to New York, Boston, and other North Atlantic ports from 9.1 cents to 7.1 cents per bushel, effective May 12, 1929, was followed by a similar reduction by the Canadian railways in the rates from Georgian Bay ports to Montreal and other Canadian seaboard ports. The new rate from Georgian Bay ports to Montreal and Quebec is now 6.6 cents per bushel, as against the regular rate of 8.6 cents; thus placing the American and Canadian rates on substantially the same competitive basis as heretofore.

C.L.L.

France and Italy Increase Import Duty on Wheat

The recent decline in the world price of wheat and a desire to protect the wheat producers of France and Italy have prompted the French and Italian Governments to increase the import duty on wheat by approximately 16 cents a bushel, according to press despatches received from abroad, and confirmed by reports from representatives of the ^{United States} Department of Commerce. Corresponding increases have been ordered in the import duty on flour and other wheat products.

In France, the import duty was increased from 35 to 50 francs per 100 kilograms, that is, from the equivalent of 37.32 to 53.31 cents per bushel. This marks the third increase within a period of less than two years. In considering the probable effect of this increase, it may be well to point out that France has for many years been unable to produce sufficient wheat to meet her domestic requirements and she has, therefore, found it necessary to supply the deficit by imports from other countries.

The French import requirements vary from year to year and depend mostly upon the size and quality of the domestic crop. During the crop year 1927-28, when the French wheat crop (in 1927) was estimated at 276,128,000 bushels, the imports of wheat into France amounted to approximately 53,346,000 bushels, or about the same as during the preceding crop year (1926-27) when the 1926 crop was reported at only 231,767,000 bushels. Of the 53,346,000 bushels imported into France in 1927-28, the United States is credited with 12,432,610 bushels. However, according to the United States export returns the exports to France during this period are given as only 5,127,000 bushels. This apparent discrepancy is to be explained no doubt by the fact that Canadian wheat which moves through the United States for export to France is officially credited to the United States in the French import statistics, while American wheat exported through Canada would be credited to Canada.

The Italian duty was increased from 11 Gold Lire to 14 Gold Lire per 100 kilograms (57.78 cents to 73.54 cents per bushel). While the reported increase in the duty is attributed primarily to the present decline in the world price of wheat, it is well to keep in mind that this action of the Italian Government is in line with its general program inaugurated several years ago to encourage the increased production of wheat in that country. In considering the probable effect of this change in duty, it is well to remember that Italy has always had a relatively high tariff on wheat. Even before the World War, extending as far back as 1866, Italy had a tariff on wheat that was equivalent to approximately 39 cents per bushel. During the World War, and for several years afterwards, these duties were suspended but were re-established in 1925.

The average annual imports of wheat into Italy during the five years 1923 - 1927 amounted to approximately 80,000,000 bushels. The average annual production during the same period was reported at 210,455,600 bushels. The 1928 crop was estimated at 228,596,000 bushels, compared with 195,809,000 bushels in 1927, and 220,644,000 bushels in 1926. While Italy is generally regarded as the principal foreign market for American durum wheat, the bulk of the Italian imports consist of so-called "soft" wheats. In 1926-27, for example, the latest year for which official import figures for Italy are available, the imports of so-called "soft" wheat amounted to 67,676,663 bushels, as against 20,419,079 bushels of "hard" wheat, which is understood to be composed largely of Durum wheat.

Just what proportion of the Italian wheat requirements, particularly of Durum wheat, are supplied by the United States is something upon which our trade statistics do not throw very much light. The situation is somewhat complicated by reason of the manner in which wheat is handled in international trade and the fact that the Italian statistics credit to the United States all wheat which is received in that country from the United States, and which includes considerable quantities of Canadian wheat that are shipped through the United States in transit. On the other hand, most of our Durum wheat is exported through Canadian ports, so that this wheat completely loses its identity, for statistical purposes, so far as the country or ultimate destination is concerned. In 1926-27 and 1927-28, for example, the exports of all wheat to Italy from the United States, according to the official export returns published by the United States Department of Commerce, amounted to 10,400,000 bushels for each of these two years. According to the Italian statistics, the imports of wheat from the United States amounted to 37,776,959 bushels in 1926-27 and 33,913,398 bushels in 1927-28. Obviously, none of these figures correctly represents the actual volume of American grain that was exported from the United States to Italy.

On the basis of the Italian wheat requirements for the past few years, therefore, it would appear that for the balance of the present season at least, Italy will continue in the market for its customary requirements and that unless her 1929 crop very materially exceeds the quantity produced in former years, the increased rate of duty will have little, if any, effect on the general demand or the price of wheat. While it is, of course, impossible to state definitely what effect the change in the rates of duty is likely to have in the long run, it is probable that other factors such as the size and condition of the wheat crop in Italy and throughout the rest of the world will play a more important part in the imports and demand for Durum wheat than the increase in the rate of duty.

C.L.L.

Japanese interest in North Manchurian wheat

Japanese exporters are beginning to show interest in North Manchurian wheat, according to the "Economic Bulletin", No. 7, April 17, 1929, supplement to "Manchuria Monitor", published by the Eastern Chinese Railroad in Harbin. Recently the Japanese began to study local wheat intending to develop in the future exports on a larger scale than heretofore. As is generally known, Japan is shifting more and more to the consumption of wheat flour. The flour milling industry of Japan has made considerable progress during the last decade. A large quantity of flour is exported by Japan to the Pacific Asiatic ports. Japanese flour mills have depended principally on Canada for their wheat. Only during the last two years has Japan been watching the North Manchurian grain and the Japanese importers have become entirely satisfied with it. Apparently the recent interest of Japan in Manchurian wheat is due to the intention of increasing the purchases of wheat in North Manchuria. For Manchuria, on the other hand, it is less profitable to export grain than the products of its milling industry. However, the local millers claim that the high, almost prohibitive, rates on the South Manchurian Railway do not permit them to export flour to southern Manchuria, Japan, and the port cities of China. During the present campaign the Harbin flour mills were working for South Manchuria and to some extent for Shanghai only on special orders, but the number of such orders was comparatively small.

At present the local mills are doing quite well, working primarily for the local market, the absorbing capacity of which is increasing every year because the Chinese population is rapidly shifting to the consumption of wheat flour. The mills are well supplied with orders for the local market. The trade in bran is also good notwithstanding its high price. Bran is used primarily by the dairy farms and to some extent also by the poultry farms. Exports of bran have also increased.

L.V.

Wheat stocks of merchant mills

In our tables of the supply and distribution of wheat we carry items showing the estimated stocks in merchant mills and elevators and amounts which these mills have in transit and bought to arrive. The basic figures for these estimated stocks are to be found in the quarterly reports of the Department of Commerce. The Department of Commerce reports include stocks of wheat held by mills which report to them, and as all mills do not report their stocks it is necessary to estimate the stocks held by mills not included in the reports. Heretofore we have made such estimates, but with the issuance of the report of stocks held March 31, 1929, it has become possible to obtain a better basis for the estimates, and the estimates of the total stocks of merchant mills have consequently been revised.

As an indication of how large a portion of the merchant mills is included in the quarterly stock reports, there is given the percentage which these mills produced of the total flour production reported by the latest available Census of Manufactures. Thus in the report for March 31, 1929 it is stated concerning the mills which reported their stocks as of that date: "These mills produced 93.1 per cent of the total output of wheat flour reported at the Census of Manufactures in 1927". The percentage given always relates to the flour production of about two or more years before. For example, the percentages, as reported for the quarters from June 30, 1925, when wheat and wheat flour stocks held by mills were first published, to December 31 inclusive, are as of the total output of wheat flour reported at the Census of Manufactures, 1923. Those for the quarters, March 31, 1927, to December 31, 1928, inclusive are based on the 1925 Census of Manufactures, and subsequent reports on the 1927 Census of Manufactures.

It is not accurate to assume that the percentage which the reporting mills output constituted of the total for two or more years ago is the percentage which they constitute of the current years output. The mills which report tend to be the larger or more successful ones and in the interval which has elapsed some small and unsuccessful ones have gone out of business, some mills have burnt, and some new ones have been built. The net result of these changes is that mills now reporting produce a larger proportion of the current total flour output than they did of the total flour output of two years ago. Evidence of this is to be found when percentage statements are changed from the basis of one Census of Manufactures to that of another. Thus in the quarterly report of December 31, 1928, the percentage of flour which reporting mills produced was given as of the total output reported at the census of manufactures in 1925 and then in the next report the same production was given as a percentage of the total output reported at the Census in 1927 -- the former figure was 90.7 and the latter 92.8, the same number of mills having produced 90.7 per cent of the flour produced in 1925 and 92.8 per cent of that produced in 1927. This gives a basis for saying that as a result of the passage of

the two year period (1925 to 1927) there was an increase of 2.1 in the percentage which mills reporting December 31, 1928 produced of the total.^{a/} Therefore the extent to which the report of a given date underestimates the true percentage which the reporting mills constitute of the total, depends upon the length of time that has elapsed since the date for which the comparison is made, and as the comparisons can never be made as of the date of the stocks report, there is always an under statement of the percentage.

If the amount of the under statement depended only on the length of time elapsed, then the correction could be made by adding a given amount for each quarter which has elapsed since the date for which the comparison was made. Thus taking 2.1 per cent as the change existing for two years elapsed time, 1.05 would need to be added for each year or .2625 for each quarter. In this case the percentage of 92.8 reported December 31, 1928, which is based on the calendar year of 1927, centered at the middle, would need to have 1.6 added to it, making the percentage 94.4 and the percentage reported for March 31 would need to have 1.8 added to it.

Changes in the milling industry brought about by failures, mergers, construction of new mills, and other shifts in the relative amount of business done by reporting and non-reporting mills apparently have been made at a slower rate in recent years than formerly. Thus, in the report of stocks, when the change was made from giving a percentage based on the 1923 Census to one based on the 1925 Census, the difference or under statement of the true percentage appears to have been 3.0 due to a change of two years in the elapsed time. This is an average of .375 per quarter as compared with .2625 per quarter evidenced by the change from the 1925 to 1927 Census basis. It would seem, then, that the amount of correction necessary for more recent periods of time elapsed between the date of a report and the period for which a percentage comparison was made would be less than for earlier periods.

While there is no entirely satisfactory measure of the rate of change which should be made in this correction figure, it is possible, nevertheless, to interpolate between the two figures which are available, .3750 and .2625. The former figure represents the average correction necessary per quarter of elapsed time from 1923 to 1925. The correction for quarters prior to July 1, 1924 should be larger, and smaller for those following that date. The figure .2625 likewise is the average correction per quarter to be applied for the period July 1, 1925 to June 30, 1927. If a straight line interpolation were used and it were extended to a considerable period in the future, the point would in time be reached when any further correction made for additional lapse of time would necessarily indicate the assumption that the reported percentages were greater than 100 per cent, or, in other words, the report of a given date would

^{a/} It is assumed that the per cent of which these mills produce of the total flour ground is the same as the per cent which their wheat and wheat flour stocks constitute of the total since there is no other basis of comparison.

over estimate the true percentage which the reporting mills constitute of the total rather than under estimate it. Consequently, it is more reasonable to assume that for each subsequent unit of time there is a constant percentage decrease in the correction to be applied rather than a constant absolute decrease. Thus, while the correcting figure would continue to be less and less, it would never reach the point mentioned under the straight line interpolation.

The latter method of interpolating, therefore, was used in securing the correction figures for the percentages as reported. This was done by taking the corresponding logarithmic values of .375 and .2625 (with slight adjustments) as points to work from. a/ Since a

a/ A slight adjustment is necessary due to the fact that the average correction per quarter of elapsed time, .3750 for the period from 1923 to 1925 and .2625 for the period 1925 to 1927, is centered on July 1 of the even years or applies to a quarter which centers on July 1 rather than to one which ends or begins on that date. One way of correcting this is to take one-sixteenth of the logarithmic difference between .3750 and .2625 and add it to these values, which would have the same effect as moving the points of interpolation back one-half of a quarter. The interpolation between points would remain unchanged.

period of two years has elapsed between these two points, it is necessary to take one-eighth of the difference between the two points to get the quarterly percentage decrease in the correction to be applied. Taking the antilogarithms of the numbers arrived at will give the correction in original values or percentages. The resulting corrections per unit of elapsed time and accumulations are shown in the table on the following page.

The table on the next page shows the estimated current percentages resulting from the correction of the percentages as given in census reports.

E.J.W. and H.E.R.

Tabulation of corrections to be made in percentages reported
by the Census in computing total commercial mill stocks
of wheat and wheat-flour

Quarter ended	Per unit of elapsed time	Accumulated from July 1, 1923	Accumulated from July 1, 1925	Accumulated from July 1, 1927
	Per cent	Per cent	Per cent	Per cent
Sept. 30, 1923.....	.438			
Dec. 31, 1923.....	.419			
Mar. 31, 1924.....	.401			
June 30, 1924.....	.383			
Sept. 30, 1924.....	.367			
Dec. 31, 1924.....	.351			
Mar. 31, 1925.....	.335			
June 30, 1925.....	.321	3.015		
Sept. 30, 1925.....	.307	3.322		
Dec. 31, 1925.....	.294	3.616		
Mar. 31, 1926.....	.281	3.897		
June 30, 1926.....	.268	4.165		
Sept. 30, 1926.....	.257	4.422		
Dec. 31, 1926.....	.246	4.668		
Mar. 31, 1927.....	.235		1.888	
June 30, 1927.....	.225		2.113	
Sept. 30, 1927.....	.215		2.328	
Dec. 31, 1927.....	.205		2.533	
Mar. 31, 1928.....	.196		2.729	
June 30, 1928.....	.188		2.917	
Sept. 30, 1928.....	.180		3.097	
Dec. 31, 1928.....	.172		3.269	1.156
Mar. 31, 1929.....	.164			1.320
June 30, 1929.....	.157			1.477
Sept. 30, 1929.....	.150			1.627
Dec. 31, 1929.....	.144			1.771
Mar. 31, 1930.....	.138			1.909
June 30, 1930.....	.132			2.041
Sept. 30, 1930.....	.126			2.167
Dec. 31, 1930.....	.120			2.287

Estimated current percentages secured by
addition of the correction figure to
percentages as reported

Quarter ended	Percentage as reported	Correction	Estimated percentages
	<u>Per cent</u>	<u>Per cent</u>	<u>Per cent</u>
June 30, 1925	87.4	3.0	90.4
Sept. 30, 1925	---	---	---
Dec. 31, 1925	88.0	3.6	91.6
Mar. 31, 1926	88.4	3.9	92.3
June 30, 1926	87.4	4.2	91.6
Sept. 30, 1926	87.4	4.4	91.8
Dec. 31, 1926	87.5	4.7	92.2
Mar. 31, 1927	90.5	1.9	92.4
June 30, 1927	90.1	2.1	92.2
Sept. 30, 1927	89.1	2.3	91.4
Dec. 31, 1927	89.5	2.5	92.0
Mar. 31, 1928	91.2	2.7	93.9
June 30, 1928	90.4	2.9	93.3
Sept. 30, 1928	90.8	3.1	93.9
Dec. 31, 1928	92.8	1.2	94.0
Mar. 31, 1929	93.1	1.3	94.4
June 30, 1929		1.5	
Sept. 30, 1929		1.6	
Dec. 31, 1929		1.8	
Mar. 31, 1930		1.9	
June 30, 1930		2.0	
Sept. 30, 1930		2.2	
Dec. 31, 1930		2.3	

Wheat and wheat flour stocks held by merchant mills, raised to 100 per cent to represent all mills on basis of corrected percentages
June 30, 1925 - March 31, 1929

Date	In transit and bought to arrive	In mills and elevators attached to mills	Total	Wheat flour		
	Bushels	Bushels	Bushels	Barrels	Bushels a/	
1925						
June 30	9,000,000	22,576,363	31,576,363	3,702,337	17,400,984	
Dec. 31	10,427,000	67,842,113	78,269,113	5,004,816	23,522,635	
1926						
Mar. 31	3,569,182	49,757,515	53,326,697	4,212,759	19,799,967	
June 30	7,349,873	24,505,017	31,854,890	3,407,996	16,017,581	
Sept. 30	16,751,309	87,007,188	103,758,497	4,593,862	21,591,151	
Dec. 31	14,627,764	77,920,633	92,548,397	4,702,874	22,103,508	
1927						
Mar. 31	6,981,558	65,553,679	72,535,237	4,466,371	20,991,944	
June 30	11,274,278	37,037,670	48,311,948	3,868,138	18,180,249	
Sept. 30	17,636,432	84,514,537	102,150,969	4,657,949	21,939,360	
Dec. 31	20,203,678	76,587,937	96,791,615	4,934,679	23,192,991	
1928						
Mar. 31	10,018,636	62,886,562	72,905,198	4,461,006	20,966,728	
June 30	10,892,610	31,920,426	42,813,036	3,895,481	18,308,761	
Sept. 30	25,423,707	98,673,827	124,097,534	4,452,065	20,924,706	
Dec. 31	24,298,184	93,866,285	118,164,469	4,890,418	22,984,965	
1929						
Mar. 31	9,185,032	78,757,094	87,942,126	4,614,250	21,686,975	
June 30						
Sept. 30						
Dec. 31						

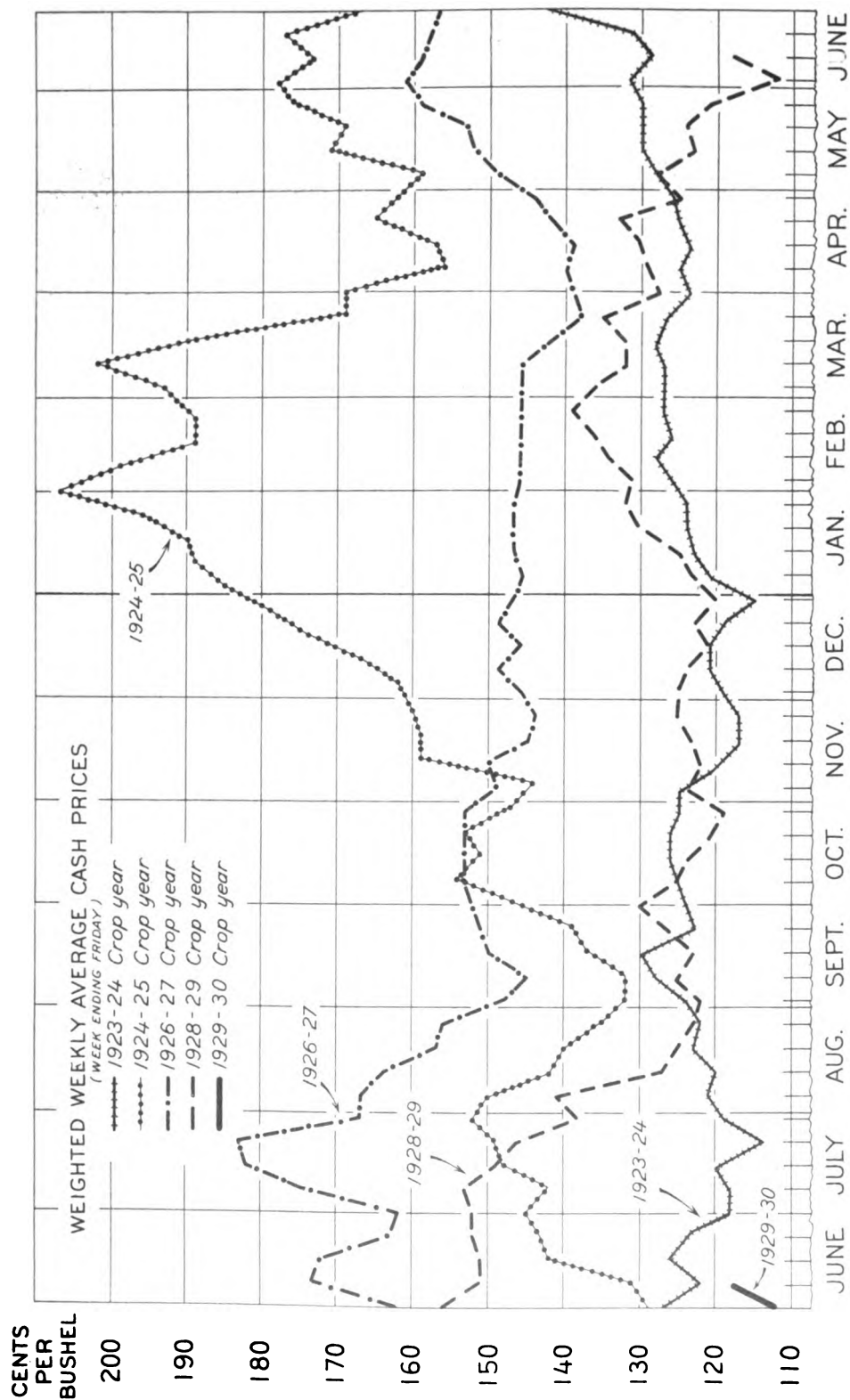
a/ Barrels converted to bushels by multiplying by 4.7.

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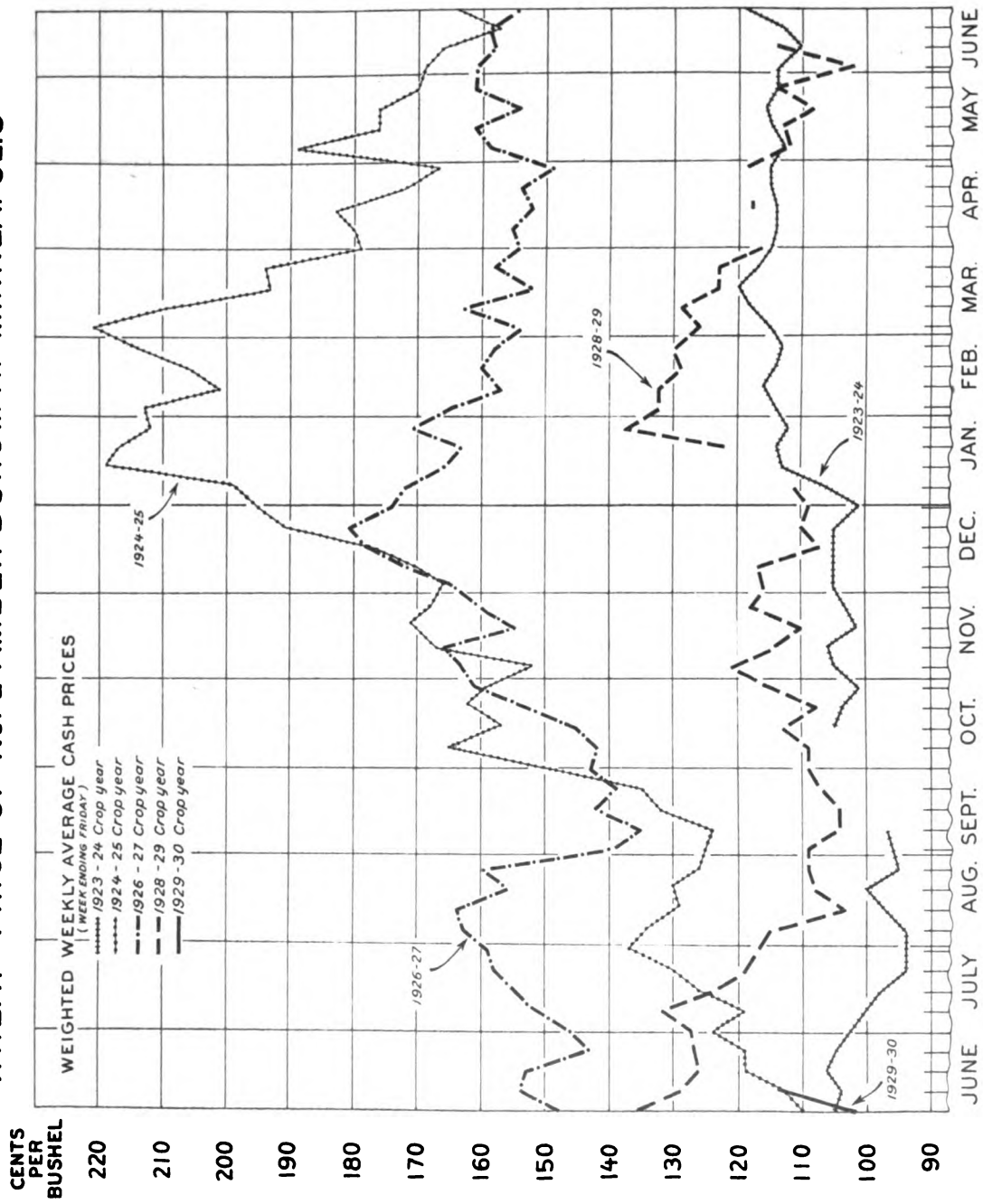
WHEAT: PRICE OF NO. 1 DARK NORTHERN SPRING AT MINNEAPOLIS



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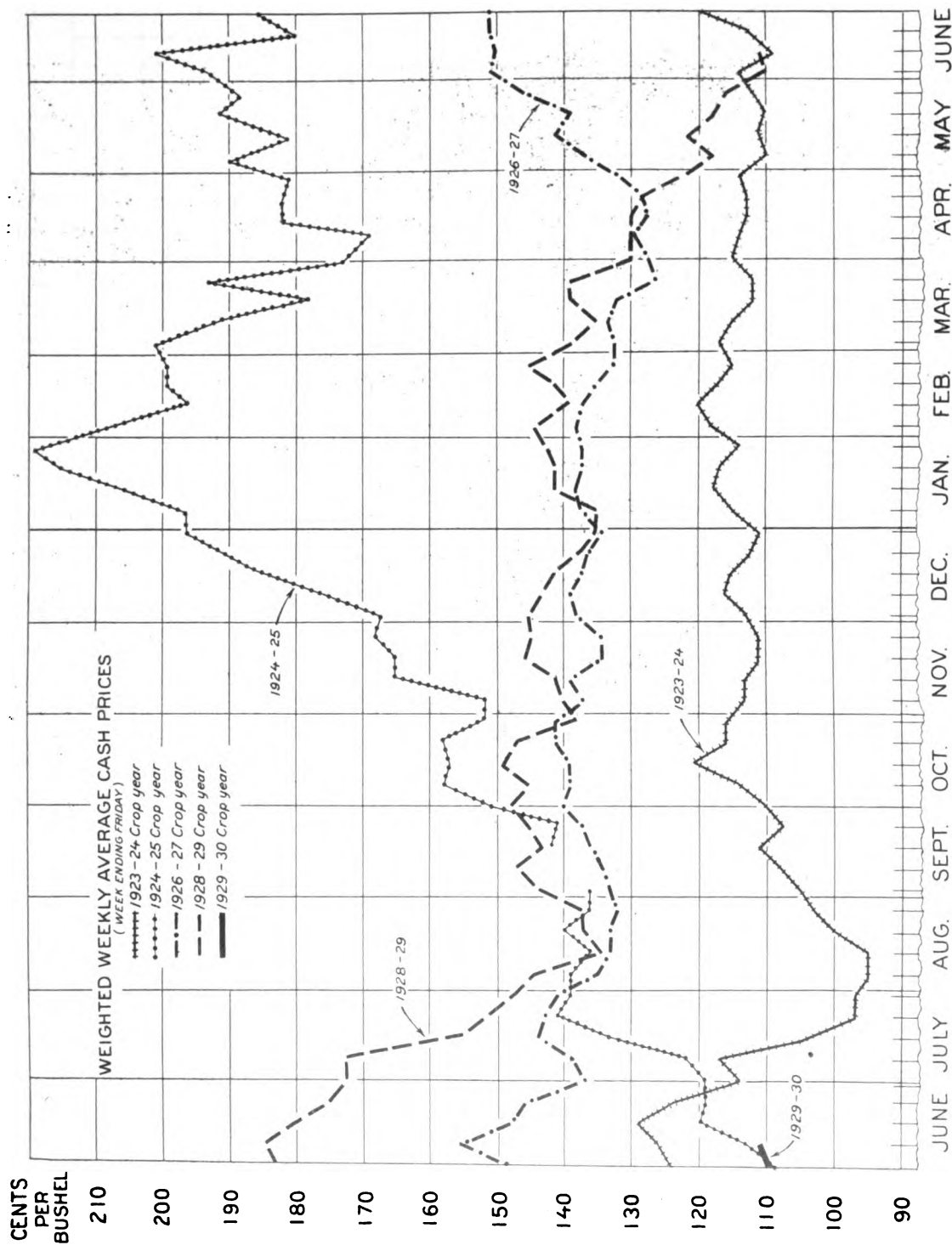
WHEAT: PRICE OF No. 2 AMBER DURUM AT MINNEAPOLIS



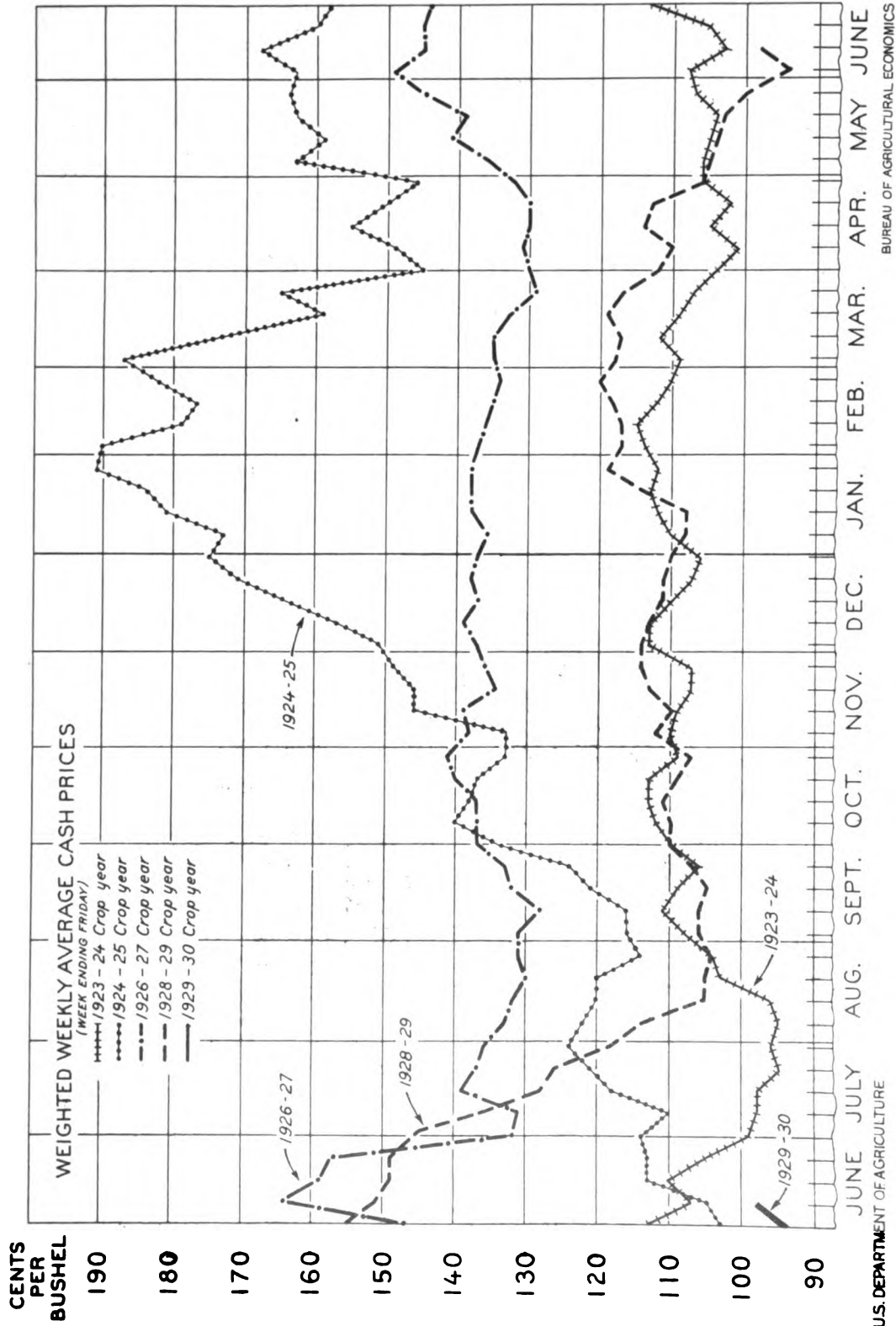
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WHEAT: PRICE OF No. 2 RED WINTER AT ST. LOUIS.



WHEAT: PRICE OF NO.2 HARD WINTER AT KANSAS CITY



UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
WH-37

July 15, 1929

FOREIGN NEWS ON WHEAT

WORLD WHEAT CROP AND MARKET PROSPECTS

The world's carryover of wheat appears to be about 100 to 125 million bushels in excess of the carryover on July 1 last year. But weather and crop condition reports to July 12 indicate that the world's wheat crop may be about 325 million bushels less than last year, and the world's supply therefore about 200 million bushels less than last year. Allowing for an increase of 70 million bushels annually in the world's demand for wheat, normally this reduction in supply would have the effect of raising world prices about 25 cents per bushel. Considering the large carryover of wheat in the United States, the market price for export wheat might not be increased by so much as 25 cents per bushel. It appears, however, that an increase of 15 to 25 cents per bushel over the average for the past season might be expected.

World's carryover

The world's carryover of wheat on July 1, the beginning of the new marketing season for the United States, will probably be about 100 to 125 million bushels in excess of the 421 million bushels accounted for as of July 1, 1928. Most of the increase in carryover is in the United States. The stocks on farms are reported to be 45 million bushels as compared with 24 millions last year, and the commercial visible supply 96 millions as compared with 42 millions last year, an increase of 75 million bushels in these two positions. Some increase in country mills and elevators and in merchant mills is also to be expected. The Canadian visible supply including stocks in the United States, according to Bradstreet, is 19 million bushels in excess of last year. Consul Messersmith of Buenos Aires reports that estimates of the exportable surplus in Argentina range from 73 to 85

million bushels, which is to be compared with a computed exportable surplus of 78 million bushels as of July 1 last year. Consul General Garrels of Australia reports that stocks in Australia are 53 million bushels, compared with a computed figure of 56 millions last year. The United Kingdom port stocks and afloat are only one million bushels in excess of the corresponding date last year. Summarizing, it appears that the carryover in the United States on July 1 will be found to be about 90 to 100 million bushels, to which is to be added an increase of about 20 millions in the Canadian supply.

WHEAT: Carryover or stocks, July 1, 1924 - 1929

Position	: 1924	: 1925	: 1926	: 1927	: 1928	: 1929
	: Million:	: Million:	: Million:	: Million:	: Million:	: Million:
	: bushels:	: bushels:	: bushels:	: bushels:	: bushels:	: bushels:
United States:						
Stocks on farms.....	31	29	21	27	24	45
Stocks in country						
mills and elevators :	37	25	30	22	19	
Commercial visible <u>a/</u> :	39	29	16	26	42	96
Merchant mills.....)		23	25	37	32	
In transit.....) <u>b/38</u>		9	7	11	11	
Total, United States :	145	115	99	123	128	
Canada <u>a/</u>	45	37	40	49	99	118
Argentina <u>c/</u>	55	45	50	58	78	80
Australia <u>d/</u>	42	42	33	58	56	53
United Kingdom, port						
stocks and floating						
supply.....	62	52	53	59	60	61
Total.....	349	291	275	347	421	

a/ Bradstreet's commercial visible.

b/ Interpolated, not to be used as an official figure.

c/ Exportable surplus computed as of July 1. The figure for 1929 is average of range reported by Consul Messersmith of Buenos Aires.

d/ Stocks computed as of July 1. The figure for 1929 was reported by Consul General Garrels of Melbourne.

World production, acreage and crop conditions

It is now apparent that the decrease in production will more than offset the increase in stocks at the beginning of the year. July 1 conditions indicate that the crop in the United States may be nearly 70 million bushels short of last year, which goes a long way toward offsetting the increase in stocks here. Production forecasts in 10 countries reported to date total 1,461 million bushels or 103 million less than last year when these countries produced 40 per cent of the world total. Crop and weather conditions reported to date indicate that the Northern Hemisphere crop outside of Russia and China may be at least 250 million bushels short of last year. A month ago we presented an analysis of weather conditions in Canada, indicating a crop of about 375 to 400 million bushels, assuming normal conditions for the remainder of the season. Since weather conditions have continued unfavorable, it appears that the outturn of the crop is likely to be nearer the lower than the higher figure indicated a month ago, and a continuation of present unfavorable conditions may further reduce the crop. The official report of conditions as of July 1 was 88 as compared with 102 last year, indicating that the yield may be considerably below average.

Agricultural Commissioner Dawson in Berlin reports that with average conditions for the remainder of the season the Continental European wheat crop probably will be materially below last year. While Spain is harvesting a good crop and conditions appear to be favorable for good yields in Austria, Germany and Poland, smaller crops are expected in the Balkan countries, France, Belgium and the Netherlands. Favorable conditions for the remainder of the season may bring the crops of France and of some other countries fairly close to those of last year. It seems likely, however, that even with most favorable conditions the European wheat crop outside of Russia will be somewhat smaller than that of 1928. Reports of the Russian crop are somewhat confusing to date. However, there is no indication of an exportable surplus from Russia.

It is too early to make any definite estimate of the Southern Hemisphere crops. Trade reports, however, indicate that the area seeded in Argentina is about 15 per cent less than last year. Droughty conditions at time of seeding and favorable corn prices undoubtedly have tended to discourage seedings. An Australian correspondent says that good rains have fallen in Western Australia and that prospects are for an increase of 5 per cent in the area seeded in that state, but droughty conditions have prevailed in the three eastern wheat states and the area may be curtailed to some extent in these states. Allowing for a reduction of 15 per cent in the area of Argentina and the same acreage as last year in Australia, with average yields, the production of these countries would be about 75 million bushels less than last year.

Wheat areas in 26 countries reporting to date total about 189 million acres, one million acres or six-tenths per cent greater than last year. This accounts for 77 per cent of last year's acreage. Should the Argentine area be curtailed 15 per cent and the Australian area be maintained, the world's area to be harvested would probably be no greater and might be less than last year.

WHEAT: Weighted average cash prices at stated markets

	: All classes		No. 2		No. 1		No. 2		No. 2		Western	
Week	and grades		Hard Winter		Dk.N.Spring		Amber Durum		Red Winter		White	
ended	six markets		Kansas City		Minneapolis		Minneapolis		St. Louis		Seattle a/	
	: 1928:1929		: 1928:1929		: 1928:1929		: 1928:1929		: 1928:1929		: 1928:1929	
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
May 31	: 146	: 95	: 155	: 94	: 161	: 112	: 136	: 102	: 183	: 110	: 144	↑ 104
June 7	: 145	: 100	: 151	: 98	: 156	: 118	: 136	: 114	: 185	: 111	: 143	: 108
14	: 142	: 103	: 149	: 102	: 151	: 120	: 129	: 125	: 180	: 121	: 141	: 108
21	: 139	: 104	: 149	: 102	: 151	: 123	: 126	: 109	: 175	: 121	: 139	: 108
28	: 141	: 110	: 145	: 109	: 152	: 130	: 127	: 112	: 172	: 127	: 140	: 116
July 5	: 137	: 115	: 136	: 113	: 153	: 137	: 132	: 116	: 172	: 123	: 140	: 119
12	: 132	:	: 128	:	: 149	:	: 124	:	: 155	:	: 135	:
19	: 129	:	: 126	:	: 146	:	: 119	:	: 151	:	: 129	:
26	: 122	:	: 118	:	: 138	:	: 117	:	: 147	:	: 124	:
	:	:	:	:	:	:	:	:	:	:	:	:

a/ Weekly average of daily cash quotations basis No. 1 sacked 30 day delivery.

WHEAT: Closing prices of July and September futures

Date	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires a/
	: 1928:1929	: 1928:1929	: 1928:1929	: 1928:1929	: 1928:1929	: 1928:1929
	Cents	Cents	Cents	Cents	Cents	Cents
July futures						
May 29	: 144	: 100	: 136	: 93	: 141	: 99
June 6	: 142	: 109	: 134	: 102	: 140	: 107
13	: 139	: 108	: 132	: 100	: 139	: 105
20	: 138	: 112	: 131	: 105	: 137	: 110
27	: 137	: 111	: 130	: 105	: 136	: 111
July 3	: 136	: 120	: 128	: 113	: 136	: 122
11	: 131	: 122	: 125	: 116	: 132	: 125
September futures						
18	: 128	:	: 120	:	: 126	: c/127
25	: 124	:	: 116	:	: 121	: c/121
	:	:	:	:	:	:

a/ Prices are of day previous to date of other market prices.

b/ August future.

c/ October future.

Wheat Prices

Allowing for only average yields in the Southern Hemisphere and a reduction of 250 million bushels in the crop of the Northern Hemisphere, the world's crop would be about 325 million bushels short of last year. Allowing for an increase of 125 million bushels in carryover would leave the world's supply at least 200 million bushels short of last year. On the basis of the analysis of the relation of supply to price presented last month, it would be expected that with normal conditions the average of British parcels prices for the year would be increased about 25 cents per bushel over last season by this reduction in supply.

Questions may arise as to the effects of the reduction in export freight rates in the United States, on the one hand, and the increase in European tariffs, on the other hand, upon world market prices. Undoubtedly both would tend to have some effect upon prices but in opposite directions. The lower export rates in the United States will tend to encourage exports while these rates remain at the lower level, which will tend to raise prices in the United States. Higher duties in France, Italy and Germany, on the other hand, will tend to curtail the imports of those countries and thereby weaken the foreign demand for our wheat. However, it is not believed that these duties will have a very great influence upon the European demand for wheat. With higher wheat prices and possibly larger supplies of other grains, European takings will of course be less than in the past season. With a prospect of considerable reduction in the exportable surplus of the surplus producing countries, it seems likely, however, that the imports of deficit countries will be sufficient to absorb not only the surpluses produced this year, but also some of the increase in carryover.

Prices have moved upward at a rapid rate since the beginning of June. Buying in Europe has become more active and in the past few weeks wheat has been moving from the United States in larger volume than in the corresponding period of last year.

The relation of the different classes of wheat in the United States to domestic requirements will be an important factor in determining the relationship of the prices of each of these wheats to the world price level. The United States always produces a surplus of hard red winter wheat, but the variations in the size of this surplus cause variations in the relation of the price of hard red winter wheat in Kansas City to Liverpool prices. Conditions as of July 1 indicate a crop of nearly 340 million bushels of hard red winter, as compared with about 384 million bushels produced last year. The considerable increase in stocks, however, probably brings the supply of this wheat to about the same level as last year. The price of No. 2 hard red winter at Kansas City in the past year has averaged a little over 112 cents a bushel. Starting the year at a low level and with the heavy carryover, it is possible that a reduction of 200 million bushels in the world's supply would raise the average price of No. 2 hard red winter at Kansas to only about 130 cents per bushel or within five cents of this.

The supply of white wheat seems to be less than last year but large enough to provide a considerable exportable surplus. The price of this wheat is likely, therefore, to be affected to about the same extent as that of hard red winter.

The soft red winter wheat crop, on the other hand, seems to be considerably larger than last year. July 1 conditions indicate a crop of nearly 200 million bushels as compared with 140 millions last year, and 181 millions in 1927. In 1924 the soft red winter wheat crop amounted to about 189 million bushels, and a small part - about 8 million bushels - of this was exported. It is apparent, therefore, that the indicated crop is but little in excess of our domestic requirements. It is possible, however, that high prices of the past year have caused some shift in demand for soft red winter wheat and that the average price for this wheat in the present season will be but little if any higher than that of hard winter wheat. The price of No. 2 soft red winter at St. Louis in the past season has averaged 139 cents per bushel. If present indications are borne out, the price for this class of wheat at St. Louis may be within five cents of the average of the past season.

If the hard red spring wheat crop turns out no larger than indicated by July 1 conditions, the supply of this wheat probably will just about equal usual domestic requirements and the tariff should be effective in protecting this wheat for a good part of the year at least. July 1 conditions indicate a crop of about 156 million bushels compared with 195 millions produced last year. The price of No. 1 dark northern spring at Minneapolis in the past year has averaged about 126 cents per bushel. Under the conditions indicated above, the increase in the average price for the present season over the past should be more than 25 cents, and it may be as much as 30 cents over the average for the past season.

Durum wheat prices have been very low but will be strengthened by the increase in prices of all wheat. Curtailment in the crop of the United States and possibly in Canada will undoubtedly strengthen prices. Larger crops in North Africa and possibly in southern Italy, on the other hand, will curtail the demand for this wheat. July 1 conditions indicate a crop of about the same size as that of 1924 but the North African crops apparently are a little larger than in 1924. It seems, therefore, that the

price of durum wheat is likely to be increased materially but not so much as the price of hard red spring wheat.

The course of prices during the next few weeks will be determined largely by crop forecasts and market activities. Sharp rises are likely to be followed by reactions to lower levels. Heavy marketings in the face of a large carryover in the United States may also be a factor in weakening the market for short periods or retarding the full response to the prospective world supply and demand conditions. The courses of prices through several seasons were shown in charts attached to last month's report. Comparing this season to date with that of 1924-25, it will be noted that the course of prices the first months of the season has been similar to that of the corresponding period of 1924. In that season the rise in prices continued with some interruptions through June and July after which there was some recession. This was followed by a marked rise beginning in September and extending through January. Present conditions suggest that the course of prices through this summer and fall may continue to be somewhat like that of 1924 but an exact repetition is not to be expected. Unless the world crop turns out to be shorter than now indicated the rise is hardly likely to be so great as in the fall of 1924.

WHEAT: Yearly weighted average cash price per bushel of representative wheats at stated markets, 1920-1928

Year	No. 1	No. 2	No. 2	No. 2
beginning	:dk. no. spring:	amber durum	hard winter	red winter
July	: Minneapolis	: Minneapolis	: Kansas City	: St. Louis
	: <u>Cents</u>	: <u>Cents</u>	: <u>Cents</u>	: <u>Cents</u>
1920.....	201	199	183	213
1921.....	148	119	120	127
1922.....	126	107	113	121
1923.....	124	106	105	107
1924.....	158	156	135	159
1925.....	165	144	163	169
1926.....	151	155	135	138
1927.....	141	132	135	149
1928.....	126	113	112	139

WHEAT: Production and exports by classes, 1920-1928
Production 1/

Year beginning July	Hard red spring	Durum	Hard red winter	Soft red winter	White	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1920.....	140	52	302	247	91	835
1921.....	131	57	290	237	99	815
1922.....	170	91	280	248	79	868
1923.....	127	55	241	272	102	797
1924.....	192	66	365	189	52	864
1925.....	156	65	206	170	80	676
1926.....	121	48	360	229	73	831
1927.....	202	83	317	181	95	878
1928.....	195	98	384	140	86	903
1929 (July)...	156	63	339	199	76	834

Exports 2/

1920.3/.....	18	32	163	59	21	293
1921.3/.....	26	26	100	29	28	208
1922.3/.....	14	43	61	23	14	155
1923.....	2	19	27	10	20	79
1924.....	22	34	121	8	11	195
1925.....	5	27	10	3	19	63
1926.....	2	22	73	31	28	156
1927.....	6	31	65	13	30	146

- 1/ Estimates of production by classes are based on surveys made in 1920, 1923, and 1924 of the percentage of different varieties of wheat grown, supplemented by investigations and judgment of cereal specialists. All estimates are the result of applying percentages for each state to the production of each state as estimated by the Division of Crop Estimates save that durum estimates of four states are used directly. As there are changes from year to year in the relative amounts of the varieties of wheat grown and also changes in the relative yields per acre, these figures should be considered to be only rough approximations.
- 2/ Total as reported by the Department of Commerce. Distribution by classes made on basis of United States inspections for export by ports and inspections of United States wheat in the Eastern Division of Canada.
- 3/ Estimates of exports of wheat by classes prior to 1923 are not as accurate as for later years due to the large amounts and composition of mixed wheat.

Reports from foreign countries

Agricultural Commissioner Nyhus cables that the harvesting of the 1929 wheat crop in the Yangtse valley was completed in June and Shanghai millers estimate that the crop was of fair size but materially below last year's good crop. The quality of this year's crop is inferior to last season. The Shanghai millers estimate that they will be able to operate their mills at full capacity with native wheat until January or February but after that time they will be on the market for foreign wheat. Communications are so primitive and costly that famine conditions in North China have practically no influence on the Shanghai supply situation. Millers are watching American and Canadian prices but at the present foreign quotations are too high to warrant placing contracts for December or later delivery. Native wheat was quoted at \$1.07 per bushel on July 11, whereas American western red No. 2 for September delivery was quoted at \$1.29 per bushel. The purchase of comparatively large quantities of foreign wheat provided a profitable undertaking for local mills and they are again prepared to buy heavily if price developments are favorable and if silver is of low value. The present rate of exchange is unfavorable, however, and if it continues so it may seriously affect the wheat trade. Last season Canadian No. 4 proved to be of sufficiently high quality when mixed with American, Australian or local wheat but the results with Canadian No. 5 were unsatisfactory. Quotations on local flour have risen from \$1.17 per bag of 49 pounds on May 30 to \$1.29 per bag for July delivery.

Japan

The quotations for imported wheat at Japanese mills advanced 9 to 21 cents per bushel from June 1 to July 1, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from Consul Kemper at Tokyo. The price of United States western white wheat advanced from \$1.47 per bushel on June 1 to \$1.60 on July 1, Canadian No. 5 advanced from \$1.34 to \$1.55 per bushel, and Australian from \$1.53 to \$1.62 per bushel during the same period. The wholesale price of flour also showed an increase, being quoted at \$1.55 on July 1 against \$1.53 on June 1. The imports of wheat into Japan during May were 3,422,000 bushels against 3,574,000 bushels during May 1928. Imports for the season beginning July 1, 1928, however, are well in advance of those during the same period of the 1927-28 season, being reported at 27,043,000 bushels against 19,238,000 bushels in 1927-28. Imports during May included 304,000 bushels from United States, 1,896,000 bushels from Canada, 1,058,000 bushels from Australia, and 164,000 bushels from other countries.

The continental European wheat situation, June, 1929 ^{1/}

Continental European wheat markets were less active in June than in May but at the end of the month were very active, though most of the month spot and near at hand wheat continued to be given preference by buyers with apparent lack of confidence as to an upward movement of prices. Following the price declines toward the end of May, the June price tendency in import and domestic markets generally was upward, excepting for slight declines around the middle of the month. In France the fluctuations in price and volume of business were less pronounced and less in sympathy with world developments.

Flour sales were good at the beginning of June, weakened later and became active again around the 23rd. Flour business in Central Europe throughout the month, however, left much to be desired but stocks in the mills were also low there. Wheat stocks in Germany are comparatively low, with farm stocks of wheat nearly exhausted, and trade stocks below a month and a year ago. France, however, still appears to have important wheat stocks on the farms as well as in trade channels, the latter probably a result of heavy importation prior to the introduction of the new duty rates. Important stocks may also exist in the upper Danube Basin, while wheat stocks in Poland are small. Rye stocks in both Germany and Poland are comparatively high which is also shown in the price relationship between rye and wheat, particularly in Poland.

Farm offerings of wheat were comparatively small during June in Germany, where remaining farm stocks available for sale are low. Farm offerings in France increased. They were also important in the Danubian surplus regions. The price spread between wheat and rye continued to increase in Central Europe where farm supplies of rye are still rather large.

The feed grains market, which is interrelated with the market for bread grains, continued quiet through June, though there was temporarily some import demand for oats and barley. Corn remained absolutely neglected; only spot and very near positions found buyers to any marked extent. Prices showed some recovery in the first half of June, but declined later on. Argentina corn shipments were reduced owing to the insufficient European demand. Reports on favorable crop conditions, particularly of corn in South-Eastern Europe, where the corn acreage was considerably increased, and rather favorable conditions for pasturing of livestock and for green feed generally were important factors in the price-making for feed grains and the volume of sales. The increased use of bread grains for feeding purposes is still mentioned by the trade to explain unsatisfactory business conditions in feed grains. The smaller number of hogs this year was also a factor in the weak market for feed grains.

Information as to growing crops on the Continent indicates that the condition of the crop generally is now quite good; but winter-kill may reduce the total European crop. Central Europe still reports about usual winter-kill, though larger than last year. However, considerable damage was

^{1/} By Acting Agricultural Commissioner, Owen L. Dawson, Berlin, Germany, June 27, 1929. Supplemented by cable of July 6.

experienced in Rumania, Bulgaria and Hungary, in Western Europe including Northern France, Belgium, the Netherlands, and the North-Western part of Germany, and in the Baltic States. This was largely covered in our last report. More definite information now available and personal observation indicate that the Continental European wheat crop probably will be materially below last year. This forecast is based upon the assumption that

- (a) The French wheat crop will be medium and below last year, but still near average or slightly above because of extensive winter kill in important areas, and early unfavorable growing weather.
- (b) Germany will probably also have a smaller wheat crop, or at the most no greater than last year, which was the largest crop on record in post-war years.
- (c) Italy will have a medium crop only according to general trade opinion or probably somewhat below last year's good crop.
- (d) The wheat crop in the Netherlands and in Belgium will be materially below last year because of extremely heavy winter-kill, which in the case of the Netherlands, is now reported to be about 30 per cent.
- (e) Hungary's wheat crop will be materially below last year, owing to extensive winter-kill in the North and East, as the official report and personal observation prior to the issuance of the official forecasts indicated.
- (f) Rumania will have a wheat crop of at least 20 to 25 per cent below last year due to heavy winter kill in important eastern sections according to personal investigations.
- (g) Yugoslavia and Bulgaria will probably also produce wheat crops below last year's production.
- (h) Spain will have a wheat crop above last year's light crop.

- (i) Other countries taken as a whole will not show material change.

This opinion assumes average weather conditions from now to the harvest, and very favorable weather could raise the crop from present indications materially below last year to a point more nearly approaching last year, but still probably falling short of the general good 1928 harvest returns.

The rye situation is different, and as winter-kill was not large, the combined German-Polish rye crop may turn out as good or even better than last year. The outlook for the less important rye countries is also comparatively good.

The winter-killed wheat area was to a very large extent seeded to spring crops, in South-Eastern Europe particularly to corn, but these spring crops are consequently late.

With indications now becoming more clear as to the outlook for the crop, there is still little basis for the judgment of what the market situation will be. The extent of the prospective changes in wheat and rye production on a large part of the Continent is still uncertain because much of the crop is now in the critical stage of development. Second, changes in wheat production in Rumania do not mean to the full extent changes in the volume of foreign trade, because the 1928-29 surplus was small despite a good crop, and this year they may try to get along on their own supplies particularly if the corn crop is good, as now seems probable. Third, the quality of the wheat and rye crops can not as yet be forecast, but it will be an important market factor as well as the quantity of the crops. Fourth, the outturn of the corn crop in South-Eastern Europe will influence the quantities of wheat they will supply to, or need from, the world market, thus making calculations exclusively on basis of changes in the wheat crop impossible. Fifth, considerable carryovers of wheat in Hungary and Yugoslavia will make reduced crops there weigh less heavily in the Continental supply and demand situation.

Net imports in March were generally considerably higher than in February, largely owing to the re-opening of normal transportation conditions. This is also true of April, which, however, did not show import figures as much above March as previously expected. The April increase over March was also rather general and only few countries were below. The few available May figures show a considerable decline of imports compared with April in the case of Germany and Switzerland, and a 10 per cent increase over the already high April figures in the case of Italy.

Germany

Wheat prices in Germany during June were to a greater extent dependent on world market developments than in the preceding month. The second half of May was characterized by a sharp decline of wheat prices, and the decline in domestic wheat prices was somewhat larger than in America. From the beginning of June to about June 10 wheat prices increased again in sympathy with the world market. After June 10 prices weakened slightly, but recently again became firm. The fact that the German government planned to raise the duties strengthened the wheat and flour market in the latter part of the month. Rye prices declined markedly toward the end of May owing to the fact that farm stocks were still large and that Poland exported considerable quantities. Since the beginning of June rye prices have again increased. The price-spread between rye and wheat has continued to increase being about 26 cents per bushel in Berlin on June 19 as compared with about 22 cents May 15 and only 10 cents at the beginning of January. There are still large stocks of rye on German farms whereas farm stocks of wheat are small. Wheat stocks in the hands of the trade and the flour mills are comparatively small. Transactions of wheat, rye and flour during the period under review were doubtless smaller than in the preceding period. The market was generally quiet, except for the period June 1 to June 10 and the last few days, when grain business was rather brisk and flour sales active.

The following table shows the development of domestic grain prices:

GERMANY: Price per bushel of domestic wheat and rye, 1929

Date of quotation	Wheat			Rye
	Hamburg ^{a/}	Breslau ^{b/}	Berlin ^{c/}	Berlin ^{d/}
	Cents	Cents	Cents	Cents
May 8.....	151	144	144	122
May 15.....	150	143	144	122
May 22.....	150	142	141	118
May 29.....	146	132	133	108
June 5.....	147	137	138	113
June 12.....	148	137	136	113
June 19.....	148	137	140	114
June 26.....	152	141	143	116
July 3.....	164			132

a/ Wheat of any German district of at least 58.7 pounds per bushel.

b/ Wheat of any German district in carloads of 370 bushels of at least 58.7 pounds per bushel.

c/ "Markischer" wheat of at least 58.7 pounds per bushel.

d/ " " rye " " " 55 pounds per bushel.

Imports of wheat in May fell to 7,346,000 bushels, whereas they were 10,549,000 bushels in April, 1929, and 6,884,000 bushels in May, 1928. May imports were small considering the fact that farm stocks and trade stocks were small, and show the reluctant attitude of grain importers during the period. Exports of wheat during April (May figures are not yet available) were higher than in February and March. From figures on arrivals in the port of Hamburg and at the Dutch frontier stations it appears that June imports of wheat will probably be larger than May imports. Rye imports in May were small although somewhat above April. Exports of rye in April were larger than in any other month of the crop year, excepting October, 1928.

As deliveries of domestic wheat and wheat imports were comparatively small we may assume that stocks with the trade, flour mills and bakers have declined during the period under review. This opinion is confirmed by the statistics of visible stocks in Berlin which declined from 927,000 bushels on April 30 to 844,000 bushels on May 31. The corresponding stocks on May 31, 1928, were 1,142,000 bushels. The apparent disappearance of wheat in Berlin during May as shown by the changes in visible stocks, was about as large as last year, but much smaller than in April, 1929.

Germany increases tariff rates

The German Reichstag has enacted legislation increasing the import duties on wheat, wheat flour, rye, oats, butter, and potatoes, according to a cablegram received from O. L. Dawson, Acting Agricultural Commissioner at Berlin. The new rates become effective July 10. The increases in the rates on the above-named products, so far made available, are as follows: On imports from the United States and other countries enjoying most-favored-nation treatment; wheat, from 32.41 to 42.14 cents per bushel; rye, from 30.25 to 36.20 cents per bushel; oats, from 17.29 to 20.74 cents per bushel. On imports from Canada, Australia, and other countries that do not enjoy most-favored-nation treatment the increases are as follows: Wheat, from 32.41 to 48.62 cents per bushel; rye, from 30.25 to 42.35 cents per bushel; and oats, from 17.29 to 24.20 cents per bushel. The new legislation also provides that German flour mills will be required to grind not less than 30 per cent of home grown wheat during the year. A more complete statement of the new legislation and of the rates on wheat flour, butter, and potatoes will be published upon receipt of further details from Berlin.

France

French wheat import markets became less active toward the end of May when the tariff increase came into effect. Prices have improved as compared with the world market, as a consequence of the tariff increase, but not to the full extent of the raise in duty rates. French wheat prices have been below the import parity since the end of May. Offers of domestic wheat have increased and it appears now that farm stocks of wheat are still rather large. Under the influence of rather favorable developments in French crop prospects farmers tried to reduce their holdings. The trade and the flour mills, however, were reluctant and bought only for current needs. Flour business left much to be desired. Developments on the world market were also reflected in France, but the increase of prices which took place in June was somewhat less pronounced than elsewhere.

Italy

As already reported, the Italian Government increased the grain import duty from 11 to 14 gold lire per 100 kg, (57.78 cents to 73.54 cents per bushel) and the flour duty in proportion, effective May 23. The last previous raise of the wheat duty took place on September 12, 1928, when it was increased from 46.74 to 57.78 cents. The Italian import market quieted considerably following the last increase of tariff rates with only small quantities being turned over. The market for domestic grain was also quiet and prices showed no material increase in June despite the firmness of the world market. Wheat imports in May amounted to 9,516,000 bushels, compared with 8,478,000 bushels in April, and 13,823,000 bushels in May last year.

Harvesting of wheat is in full swing in southern Italy and has already started in central Italy. Weather in June was generally favorable for the maturing of the grain; some local damage may have been done by thunderstorms. The wheat crop in the southern sections is thought to be slightly above average and in the northern sections prospects are on the whole fairly favorable. The Italian wheat crop as a whole is generally expected to be below last year or about medium.

Netherlands and Belgium

Wheat markets in the Netherlands and in Belgium moved in sympathy with the world market. During the first ten days of June the market was firm and active. After temporary quietness and dullness the market became again firm and more active recently. Trade reports indicate that recently Germany proved to be an active buyer in Antwerp and that the demand from Belgian flour mills was fairly active.

Danube Basin

During the first ten days of June, in the deficit countries Czechoslovakia and Austria, wheat prices strengthened to some extent under the influence of world market developments, but firmness was not so pronounced as in other countries and a weak undertone was evident.

Farm deliveries - especially in Czechoslovakia - have been comparatively large under the influence of favorable crop reports but the flour mills were reluctant and bought only small quantities.

In Hungary the market was rather active and firm at the beginning of June, but weakened later on. It appears that Hungarian farmers still have important stocks to dispose of. Reports from Yugoslavia indicate that unsold stocks are large and that some quantities will probably have to be carried over to the new campaign. Despite some sales of wheat and barley at the beginning of June, the Rumanian grain market was generally quiet for the month as a whole. The Rumanian wheat import duty was raised from 16.33 cents per bushel to 43.55 cents per bushel. This measure will prevent the importation of wheat which took place this year at times when the domestic price level was above import parity for Hungarian and Yugoslavian wheat. It will be especially important for the next campaign, in view of the probable shortness of the crop.

The Rumanian wheat crop will be materially below last year owing to reduced acreage of wheat as a consequence of heavy winter-kill. The unfavorable influence of early drought was partly offset by rainfall in June. Present conditions appear to indicate a crop at least 20 to 25 per cent below last year. The corn acreage in Rumania, and probably also in Hungary and Yugoslavia, has increased and conditions are better than last year. In Rumania corn will be of much greater importance as human food than during the last two years, and present prospects are for a crop considerably above the poor crop of last year.

The official Hungarian crop report of July indicates that this year's wheat crop will turn out much smaller than last year. The 1929 wheat crop is estimated at 70,547,000 bushels compared with a final estimate of 99,211,000 bushels in 1928. The crop outlook is relatively favorable in the valley of the Danube and west of the Danube where the crop is estimated to be only 14 per cent smaller than last year. In the northern and northeastern sections and in the southeast the reduction amounts to about 47 per cent.

The decrease in the 1929 crop in comparison with 1928 is partly a consequence of a reduced acreage. The Hungarian wheat acreage in 1928 was 4,144,000 acres and is only 3,571,000 acres this year, the decrease amounting to about 15 per cent. Yields per acre are also estimated considerably below last year, being 18 bushels in 1929 and 24 bushels in 1928. The decrease amounts to 25 per cent. June weather has been favorable for the crops and so the reduction may not now be as great as early June conditions indicated.

Poland

Wheat and rye prices in Poland declined considerably during the second half of May, with the weakness in the rye market more pronounced than in the wheat market. In June a slight recovery of both wheat and rye prices took place. It has become apparent in recent months that there are still large quantities of rye to dispose of. As a result, rye prices showed a greater decrease than wheat prices. The Government, which prevented the export of rye during the first half of the season by an export duty allowed considerable quantities of rye free for export and at the beginning of June, abolished finally the rye export duty. Newspaper reports indicate that the government experienced great losses on rye which was bought at the beginning of the campaign at relatively high prices and recently had to be sold. Wheat stocks in Poland are comparatively small and some quantities will still have to be imported before the new crop is available.

Soviet Russia

Grain procurements in R.S.F.S.R. (Russia proper) since the beginning of the campaign to March 31 amounted to 7,730,000 short tons, according to a recent official report. Rye procurements were placed at 925,000 short tons or 54 per cent below the same period last year, and wheat procurements amounted to 4,285,000 short tons or 41 per cent above the same period of the preceding year. It should be noted that this is not a complete report for the Soviet Union and that such important region as Ukraine is not included.

An upward tendency in grain procurements was reported at the end of May and the first 10 days of June which the Russian newspapers attributed both to the application of methods of public pressure and to favorable crop outlook. However, data are again lacking for the rest of the month under survey, so that it is not possible to form any opinion as to actual results of procurements for the month as a whole. Although procurements showed considerable increases in different regions during the first days of June and toward the end of May, the absolute May level must have been relatively low, as the May procuring plan was not executed in several regions (Middle Volga, Ural, Central Fertile, Ukraine, etc.). The outlook for the development of the procuring campaign during the summer months 1929 is uncertain

and depends greatly upon the crop conditions, but seasonal field work will prove a hampering factor. Recent rumors indicated that Russia has again entered the market and purchased 1,300,000 bushels of Canadian grain through Japanese firms. Negotiations are reported to be carried on for further purchases. However, it should be noted that these are only very vague rumors and that no definite information is available. If Russian purchases of grain should prove true, it might serve as indication that the outlook for the new domestic crop is not particularly bright.

It appears that the total bread grain crop for Russia, particularly wheat, will not be very satisfactory this year. From present indications it is more apt to be below average than above.

The 1928-29 area under all spring and winter crops together was reported to have increased by 3 per cent for the Union as a whole, based on preliminary information received by the State Planning Board from five important regions ^{a/}, compared with the 7 per cent increase provided for by the Government stipulation. The area under spring wheat increased 5.9 per cent, while detailed information on the fluctuations of other crops are not mentioned. Winter sown area for the total Union is stated to be 4.9 per cent below the previous year.

^{a/} North Caucasus, Ukraine, Lower Volga, Central Fertile and Crimea. The acreage under spring grains in these regions alone increased by 1.8 per cent compared with last year, but the acreage of both winter and spring together increased by only 1.3 per cent.

**WHEAT: Production in principal countries, average, 1909-1913,
annual 1926-1929**

Country	: Average : :1909-1913 :	: 1926 :	: 1927 :	: 1928 :	: 1929 :
					/
NORTH AMERICA	: 1,000 : : <u>bushels</u> :	: 1,000 : : <u>bushels</u> :	: 1,000 : : <u>bushels</u> :	: 1,000 : : <u>bushels</u> :	: 1,000 : : <u>bushels</u> :
Canada.....	197,119:	407,136 :	479,665 :	533,572 :	
United States (Winter:)	690,108:	627,433 :	552,747 :	578,133 :	582,492
(Spring:)		203,607 :	325,627 :	324,058 :	251,377
Mexico.....	a/ 11,481:	10,353 :	11,890 :	11,031 :	11,492
Total North America:	898,708:	1,248,509 :	1,369,929 :	1,446,794 :	
EUROPE					
England and Wales....	55,770:	48,683 :	53,125 :	47,264 :	
Scotland.....	2,273:	2,091 :	2,427 :	2,315 :	
Northern Ireland....	287:	226 :	212 :	183 :	
Irish Free State....	1,310:	1,155 :	1,421 :	1,186 :	
Norway.....	306:	586 :	605 :	676 :	
Sweden.....	8,103:	12,153 :	16,151 :	19,469 :	
Denmark.....	6,322:	8,767 :	9,408 :	12,214 :	
Netherlands.....	4,976:	5,487 :	6,157 :	7,336 :	
Belgium.....	15,199:	12,801 :	16,277 :	17,986 :	
Luxemburg.....	615:	622 :	702 :	799 :	
France.....	325,644:	231,767 :	276,128 :	277,657 :	
Spain.....	130,446:	146,599 :	144,825 :	122,640 :	
Portugal.....	b/ 11,850:	8,560 :	11,447 :	6,578 :	
Italy.....	184,393:	220,644 :	195,809 :	228,596 :	
Switzerland.....	3,314:	4,244 :	4,119 :	4,270 :	
Germany.....	131,274:	95,429 :	120,522 :	141,593 :	
Austria.....	12,813:	9,438 :	11,960 :	12,860 :	
Czechoslovakia.....	37,879:	34,130 :	40,385 :	51,499 :	
Hungary.....	71,493:	74,909 :	76,933 :	99,211 :	70,547
Yugoslavia.....	62,024:	71,427 :	56,568 :	103,294 :	
Greece.....	b/ 16,273:	12,403 :	12,970 :	15,676 :	
Bulgaria.....	37,823:	36,544 :	42,121 :	50,691 :	37,441
Rumania.....	a/ 158,672:	110,883 :	96,734 :	115,544 :	94,835
Poland.....	63,675:	47,080 :	54,230 :	59,219 :	
Lithuania.....	3,264:	4,180 :	5,273 :	6,327 :	
Latvia.....	1,475:	1,860 :	2,636 :	2,499 :	
Estonia.....	364:	844 :	1,079 :	1,037 :	
Finland.....	137:	924 :	1,064 :	879 :	
Malta.....	196:	310 :	294 :	289 :	
Total Europe....	1,348,170:	1,204,746 :	1,261,582 :	1,409,787 :	

Continued-

WHEAT: Production in principal countries, average, 1909-1913,
annual 1926-1929 - Continued

Country	Average 1909-1913	1926	1927	1928	1929
	1,000	1,000	1,000	1,000	1,000
AFRICA	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
Morocco	(17,000)	16,174:	24,618:	24,746:	28,623
Algeria	35,161:	23,551:	28,323:	30,302:	31,783
Tunis	6,224:	13,044:	8,267:	12,125:	
Egypt	33,662:	37,207:	44,347:	37,296:	
Cyrenaica	(500)	161:	36:	32:	
Tripolitania	(100)	176:	173:	18:	
Total Africa	92,647:	90,313:	105,764:	104,519:	
ASIA					
Syria, Lebanon and Alaouite :	(4,000)	13,940:	14,582:	6,490:	
India	351,841:	324,651:	334,992:	288,811:	313,973
Japan	25,088:	30,188:	31,018:	32,706:	c/ 28,316
Chosen	6,898:	10,517:	9,043:	8,595:	9,965
Total Asia	387,827:	379,296:	389,635:	336,602:	
Total Northern Hemisphere:	2,727,352:	2,922,864:	3,126,910:	3,297,702:	
Est. Northern Hemisphere :					
excl. Russia and China :	2,759,000:	2,979,000:	3,193,000:	3,329,000:	
SOUTHERN HEMISPHERE					
Uruguay	a/ 6,517:	10,238:	15,397:	14,672:	
Argentina	147,059:	220,827:	d/275,000:	d/275,000:	
Union of South Africa	b/ 6,034:	8,043:	6,644:	6,930:	
Australia	90,497:	160,762:	116,737:	159,000:	
New Zealand	6,925:	7,952:	9,541:	8,400:	
Total Southern Hemisphere:	257,032:	407,822:	423,319:	464,002:	
Total above countries ...:	2,984,384:	3,330,686:	3,550,229:	3,761,704:	
Estimated world total :					
excl. Russia and China :	3,041,000:	3,420,000:	3,653,000:	3,829,000:	
Russia	758,941:	819,744:	745,885:	859,789:	

Official sources.

a/ Four year average.

b/ One year average.

c/ Production is 39 out of the 42 prefectures or about 97 per cent
of the total crop.

d/ Unofficial.

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
WH-388

July 23, 1929

FOREIGN NEWS ON WHEAT

THE AUSTRIAN MARKET FOR UNITED STATES WHEAT AND FLOUR

The Austrian market for United States wheat and flour is being restricted somewhat by increased production within the country and increased import duties, according to a report received in the Foreign Service of the Bureau of Agricultural Economics from Vice Consul C. W. Perkins at Vienna. Austria imports about 16,000,000 bushels of wheat and flour annually, of which about a tenth has been coming from the United States. In the year just closing the high quality of the Austrian wheat was unusually discouraging to the importation of hard wheat. The increase in wheat production so far has been sufficient to practically offset the additional demand resulting from a larger population, but it has not been sufficient to reduce imports materially and no important reductions in total imports are anticipated for the immediate future.

Two important factors hindering overseas purchases of flour are the recent increased import duties, and the competitive advantages enjoyed by Hungarian mills. The latter country is the chief source of Austrian wheat and flour imports. There is no definite indication as yet, however, as to the effectiveness of the new duties in combination with Hungarian competition on the demand for American wheat and flour, although there appears to be some tendency to import more wheat and less flour. It is apparent that the Austrian market absorbs a relatively small portion of the total United States wheat and flour exports. Conditions in that market, however, are important indications of the degree of competition the American products may meet from Danubian wheat in other European markets.

Austrian domestic production

Wheat production in Austria since the war has increased from 5,159,000 bushels in 1916 to 12,860,000 in 1928, and is now about equal to the amount produced before the war in the same territory. Part of the increase is due to larger areas devoted to wheat, but more of it has been the result of better cultural methods and increased yields. The yield per acre in 1928 reached 25.5 bushels. This high return was due partly to favorable weather. The average yield of 22.5 bushels for the four years 1925 - 1928, however, is also high, compared with an average of 14.7 bushels in the period 1918 - 1921, and 20.2 in the five-year period just preceding the war.

The Austrian government instituted a program of agricultural development at the close of the war to help reduce the foreign trade deficit, and these efforts are believed to have played an important part in increasing the size of the wheat crop, according to the Vice Consul. Credits were granted to farmers to enable them to buy the best quality and most suitable seed, and expansion in the wheat area was furthered by financing the improvement of waste land suitable for the crop. As a result of the government aid and the efforts of the individual farmers, wheat production not only kept pace with the increases in population, but increased from 27 per cent of the total amount required for domestic consumption in 1920 to 46 per cent in 1927. During that time there was some increase in per capita consumption.

The success of the government's policy is expected to lead to a progressive increase in funds allotted for the continuation of the plan to extend the area. The government program calls for a total increase in wheat area of 346,000 acres, of which so far about 105,000 has been accomplished. The total acreage in 1928 stood at 505,000 acres. Their hope is to make the country independent of foreign imports. There is considerable doubt of this aim being accomplished in its entirety, according to the grain trade of the country. Even if it were possible to provide enough wheat for domestic consumption, the quality is below that of imported Hungarian and American grain, due largely to climatic and soil conditions which cannot be changed, and foreign wheat would be required for mixing.

The high quality of the 1928 domestic crop as well as the high yield reduced slightly the amount of imports required for blending purposes in that year. Total imports of wheat and flour up to the present time have been well maintained and even slightly increased in the face of the increasing production. The average imports for the four crop years 1924 - 1927 amounted to 16,104,000 bushels annually, compared with 15,904,000 bushels in the period 1920 - 1923. There has been an increase in per capita disappearance for all purposes other than seed from an average of 3.3 bushels annually in the four-year period, 1920 - 1923, to 3.7 bushels in the period, 1924 - 1927. With a normal rate of increase in population and a maintenance or improvement in the per capita requirement, there is little probability of a decrease in the average annual import requirement in the near future, although no increase is to be expected.

AUSTRIA: Acreage, yield per acre, production,
trade and consumption of wheat, 1918 - 1928

Crop year:	Acreage:	Yield per acre:	Production:	Seed required:	Trade in wheat,		Domestic	
					including flour	as wheat, year	supply	disappearance
					beginning July 1		for	per
							domestic	capita
							consumption	for food,
					Imports	Exports	and carryover	feed, carryover
							etc. a/	etc. b/
	1,000 acres	Bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	Bushels
Average :								
1909-13:								
Pre-war bound-aries ... :	3,011	20.2	60,841	-	11,402	871	71,372	c/(2.5)
Est. for present bound-aries ... :	635	20.2	12,813	-	-	-	-	-
1918..... :	400	12.9	5,159	1,050	-	-	-	-
1919..... :	371	13.8	5,114	1,050	-	-	-	-
1920..... :	371	14.6	5,434	1,070	d/14,348	d/ 6	18,706	2.9
1921..... :	378	17.3	6,530	1,302	d/18,739	d/ 70	23,897	3.7
1922..... :	460	16.2	7,422	1,344	12,986	d/ 150	18,914	2.9
1923..... :	475	18.7	8,889	1,364	17,544	-	25,069	3.8
1924..... :	482	17.6	8,490	1,370	16,406	254	25,272	3.5
1925..... :	484	22.0	10,671	1,415	14,822	171	23,907	3.6
1926..... :	500	18.9	9,438	1,429	16,888	89	24,805	3.7
1927..... :	505	23.7	11,960	1,429	16,230	165	26,596	4.0
1928..... :	505	25.5	12,860	(1,430)	e/14,475		(27,335)	

Foreign Service of Bureau of Agricultural Economics. Compiled from original official sources and International Institute of Agriculture.

a/ Assuming 2.83 bushels to the acre as reported by the International Institute of Agriculture.

b/ No account taken of stocks at beginning and end of year.

c/ Consumption per capita in the industrial region included within present boundaries of Austria was doubtless greater than this amount for all pre-war Austria.

d/ Year beginning August 1.

e/ Net imports estimated on the basis of figures for 6 months, assuming those for the remaining four months to be equal to those for the corresponding period the previous year. Net imports August to March 1, 1928-29 as reported by the International Institute of Agriculture were 9,358,000 bushels compared with 10,948,000 bushels for that period the preceding year.

Increased import duty on flour

In July 1928 the Austrian import duty on wheat flour was increased from about 1.70 to 5.00 gold crowns per 100 kilograms, equivalent to an increase of from about 30 to 90 cents a barrel in United States currency. It was brought about by two treaties. The increase included in the Austro-Hungarian treaty was made at the request of the domestic milling industry as an aid in their competition with Hungarian mills. This treaty can be abrogated on three months notice. The flour duty is also partially determined by the Austro-Yugoslav trade treaty which is to remain in force at least until June 30, 1931, and which thereafter can also be abrogated on three months notice.

There has been recent agitation to further increase the import duty on flour from 5 to 8 gold crowns per kilogram, equivalent to from \$.90 to \$1.40 a barrel. Prolonged negotiations with both countries would be necessary to change the present tariff. For this and other reasons it is held as unlikely that the rates will be changed in the near future, although there may be grounds for the belief that the rates may eventually be increased, according to opinions of the Austrian grain trade. There appears to have been some tendency as a result of the tariff increase to import wheat instead of flour. Net flour imports for the 8 months August 1928 through March 1929 were 30 per cent below those for the corresponding period the previous year, while net wheat imports increased 3 per cent.

Competition with Hungarian exporters

Hungary has been a successful competitor with North America in the Austrian wheat and flour market, especially during the past year. Hungary has supplied about half to two-thirds of the wheat deficit and about half of the flour since 1925. In the first 9 months of 1928, when total Austrian flour imports decreased 13 per cent from imports of the corresponding period in 1927, and imports from the United States and Canada remained stationary, those from Hungary increased 30 per cent. Part of the increase came before the new tariff went into effect and is not an indication of the effect of recent legislation.

An important factor in the recent success of Hungary appears to be a system of export premiums which it is asserted that the Hungarian government is granting to mills on shipments of flour to Austria to offset the effect of the import duty. The Hungarian government has never officially admitted or denied the existence of these premiums and Austrian millers and importers have been unable to discover the exact amount of the bounty. On the basis of Hungarian flour prices shortly before and after the new tariff was put into effect they believe that the bounty amounts to between 30 and 50 cents a barrel, which would offset a considerable part of the increase in duty. Other factors in Hungary's success include reduced rates of flour shipments from Hungarian mills made by way of the Danube, preferential warehouse privileges granted by the

Hungarian shipping company; direct business connections in Austria; cheaper transportation; more liberal terms, and the fact that the Hungarian product can be used to some extent for blending.

Practically all shipments of Hungarian flour to Austria are made on the Danube. The government subsidizes the Hungarian Danube shipping company, which in turn grants reduced rates for flour shipments to Austria as well as for grain shipments to Hungarian mills. Austrian importers of Hungarian flour are accorded the privilege of free storage in the Austrian warehouses of the Hungarian shipping company during a period of eight weeks, the flour stored being insured at the expense of the shipping company, while importers of American flour are allowed free storage for only four weeks, and must carry the expense of the insurance themselves. Moreover, the Hungarian shipping company charges only \$1.97 per car, equivalent to about 1.7 cents a barrel for unloading and loading from barge to railway while importers of American flour must pay more than twice as much for the handling of the same quantity. Some Austrian importers have stated their belief that Hungary would redouble its efforts to support exports to Austria in the event of a further increase in the Austrian import duty.

The indirect method in practice in buying North American flour and lack of credit form a special handicap to sales, in view of the efforts made by Hungary, and the rail haul in Europe in addition to the ocean and North American rail transportation on American flour operate further to restrict sales. Most of the American flour sold in Austria is bought from European representatives of American mills or exporters in Hamburg or Amsterdam. The distribution of certain brands is even more complicated, as Austrian orders must be placed with firms in Prague, which are the sub-agents of the European representatives in Amsterdam. The Austrian importer is thus forced to buy from the third and sometimes fourth hand. In most cases he is not in direct connection with the bakers, but sells to dealers. This complicated method of distribution reacts unfavorably not only on prices but on the trade as a whole. However, the efforts of Austrian importers to establish direct business connections have so far shown no success, partly on account of the failure of American mills to grant satisfactory terms of payment, but probably also because American mills do not believe the Austrian market to be important enough to justify the establishment of individual representations for this territory.

Terms of payment offered by American mills to an Austrian importer have been cash against documents at the port of shipment (New York). European representatives in Hamburg or Amsterdam on the other hand usually grant cash against documents in Vienna, and to firms of first class reputation, even payment 30 days after arrival in Vienna.

Imports of American flour are usually shipped to Hamburg, from there by rail to Regensburg (Bavaria) and then by ship down the Danube to Vienna or Linz. Occasionally imports are made also through the port of Trieste and from there by railway to Vienna. Hungarian and Rumanian flour, on the other hand, is shipped almost exclusively by the Danube River route. Freight charges on imports of Hungarian flour are of course far below those charged for shipments of American flour from Hamburg to Vienna, as railway freight is far more expensive than ship freight on the Danube.

Demand for American wheat and flour

There has been a demand for certain amounts of North American wheat and flour in spite of the unfavorable marketing conditions. In the period January 1926 to September 1928 the United States supplied regularly about a tenth of the total Austrian wheat and flour imports, of which about two-thirds were sent as grain. Flour imports from America have usually been from hard spring wheat with small additional quantities of durum flour. The American hard wheat has the advantage over Hungarian and Austrian products in having a higher gluten content and less moisture. The greater absorption of the American flour encourages the demand by allowing the bakers to produce more rolls to the unit of flour. This demand was increased by a law prohibiting commercial baking during the night, i.e. earlier than 5 a.m. which forced the bakers to use quick-rising flour. By increasing the amount of American flour used they were able to reduce the length of the process by half an hour.

The American product is usually used for blending with the domestic product to make the finer grades of flour. The flour is used partly by the Austrian millers to mix with flour from domestic wheat and partly by the bakers. The bakers usually take a mixture of from 80 to 90 per cent Hungarian and Austrian flour with 20 to 10 per cent of American. These mixtures are used almost exclusively for baking rolls and cakes, and small amounts of fine, white loaf bread. Practically no American flour is used in the common darker bread which is the usual type consumed in Austria. The retail sales of the finer grades of flour are said to vary inversely with the number of unemployed. They show a drop during the fall and winter months when unemployment increases sharply and begin to pick up in March or April when unemployment starts its seasonal decline. Consumption of the finer grades is reported as showing a downward trend in 1928, due chiefly to the rising cost of living.

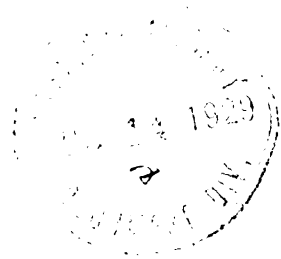
UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
WH-39

August 15, 1929

FOREIGN NEWS ON WHEAT

WORLD WHEAT CROP AND MARKET PROSPECTS
To August 12, 1929



Conditions to date indicate that the world's supply of wheat for the 1929-30 season will be about 3,300,000,000 bushels, as compared with 4,296,000,000 last year, a reduction of 380 million bushels. The world carryover on July 1, accounted for to date, totals 557 million bushels, an increase of 136 millions over the carryover at the beginning of last season. Conditions to date indicate that world production may total about 3,350,000,000 bushels, or 515 million bushels less than last year.

The 1929 durum harvest in foreign countries is expected to be below last year, due largely to unfavorable prospects in Canada. With a big decrease in the domestic harvest, the total United States and foreign crop is expected to be below the amount needed for average consumption.

The world's supply situation is quite similar to what it was in 1924 when the world's production totaled 3,493,000,000 bushels. Allowing for an increase in demand of about 70 million bushels per year, the supply in that year would be equivalent to about 3,850,000,000 bushels in the present season. The effect of this supply upon price may be observed by noting the differences in the average prices for the seasons 1924-25 and 1928-29. British parcels prices averaged 179 cents per bushel in the 1924 season, compared with about 128 in the past season. The average price of No. 2 hard winter wheat at Kansas City averaged 135, as compared with 112 last season. It is obvious that with higher prices the world's consumption will not be so great as in the past season. It is likely, however, that the world will consume more than it has produced in the present season, and that stocks at the end of the season will be less than at the beginning of the season.

m

WORLD SUPPLY AND DISAPPEARANCE OF WHEAT

Year	World : production :	Shipments : from : Russia :	Stocks : accounted : for : July 1 :	Total : supply :	Total : disap- : pearance :	Average price : per bushel : British : pounds :
	Million : bushels :	Million : bushels :	Million : bushels :	Million : bushels :	Million : bushels :	Cents.
1923-24	3,551	21	305	3,877	3,528	121
1924-25	3,143	1	349	3,493	3,202	179
1925-26	3,435	27	291	3,753	3,478	170
1926-27	3,420	49	275	3,744	3,397	164
1927-28	3,653	5	347	4,005	3,584	154
1928-29	a/ 3,865	0	421	4,286	3,729	(128)
1929-30	b/ (3,350)	0	557	3,907		

a/ Revised by raising Argentina from 275 to 300 million bushels.

b/ A preliminary forecast, Aug. 7, 1929.

World production and crop conditions

Official forecasts and estimates of production in 22 countries indicate a production of about 2,024,000,000 bushels, a reduction of 139 million bushels from the corresponding crops of last year when they amounted to 56 per cent of the world's crop. Weather and condition reports from many other countries, however, indicate a much larger reduction in the world's crop.

The Canadian official report as of August 1, issued on August 10, indicates fall wheat production to be 24,476,000 bushels. No forecast is made of the spring wheat crop. The condition of the crop is reported to be 66 per cent of the ten-year average. The area in spring wheat was estimated to be 24,543,000 acres. Sixty-six per cent of an average yield on this area would be about 270 million bushels which, added to the estimated winter wheat production, would total 294 million bushels. An analysis of Canadian weather conditions as published last year (FS/WH-26, p. 19-20) indicates a crop of about 300 million bushels, as compared with 534 million bushels estimated as produced last year.

Agricultural Commissioner Dawson in Berlin reports some improvement in Continental European wheat crops in the past month, but he still believes that the crops of these countries, outside of Russia, will be less than last year. Greece and Spain report crops better than last year. Italy also reports a crop better than last year, but Mr. Dawson thinks that it is over-estimated and is probably no larger than last year's crop. The French crop will probably be about as large as last year. An official report indicates slightly smaller winter wheat crops in Austria and Germany. Poland may have a larger crop but the remainder of northern Europe is expected to have smaller crops. The Balkan countries all have shorter crops. The total production of the four surplus producing Balkan countries is estimated at about 288 million bushels, compared with 369 millions produced last year. It seems probable that the European crop will be at least 100 million bushels less than last year and that most of the reduction will be in the surplus producing countries.

WHEAT: Production in specified countries, average,
1909-1913, annual 1926-1929

Country	Average 1909-1913	1926	1927	1928	1929
NORTH AMERICA	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Canada (Winter)	a/ 22,284	21,785	22,266	(20,054)	(24,476)
United States	690,108	831,040	878,374	902,191	773,885
Mexico	a/ 11,481	10,333	11,890	11,031	11,492
Total (3)	723,883	863,158	912,530	933,276	809,853
EUROPE					
England and Wales	55,770	48,683	53,125	47,264	41,813
Netherlands	4,976	5,487	6,157	7,336	3,836
Spain	130,446	146,599	144,825	122,640	139,793
Italy	184,393	220,644	195,809	228,596	238,832
Germany, winter only ..	114,031	86,552	109,444	127,194	110,000
Austria, winter only ..	b/ 12,813	9,001	11,469	12,419	11,574
Hungary	71,493	74,909	76,933	99,211	70,768
Greece	c/ 16,273	12,403	12,970	15,676	16,800
Bulgaria	37,823	36,544	42,121	50,691	37,432
Rumania	a/ 158,672	110,883	96,734	115,544	94,852
Finland	137	924	1,064	879	955
Malta	196	310	294	289	293
Total (12)	787,023	752,939	750,945	827,739	766,948
AFRICA					
Morocco	(17,000)	16,174	24,618	24,746	28,623
Algeria	35,161	23,551	28,325	30,302	40,601
Tunis	6,224	13,044	8,267	12,125	12,125
Total (3)	58,385	52,769	61,208	67,173	81,349
ASIA					
India	(4,000)	13,940	14,582	6,490	11,023
Syria and Lebanon	351,841	324,651	334,992	288,811	313,973
Japan	25,088	30,188	31,018	30,812	31,101
Chosen	6,898	10,517	9,043	8,595	9,963
Total (4)	387,827	379,296	389,635	334,708	366,060
Total above count. (22)	1,957,118	2,048,162	2,114,318	2,162,896	2,024,210
Est. N. Hemis excl. Russia and China	2,759,000	2,979,000	3,193,000	3,333,000	
Est. world excluding Russia and China	3,041,000	3,420,000	3,653,000	3,865,000	

a/ Four year average.

b/ Total production.

c/ One year only.

Reports from Russia indicate that crops may be somewhat better than last year, but it is not likely that there will be any grain for export.

The Southern Hemisphere crops are still somewhat uncertain. There are no indications that Australia and Argentina have recovered from the effects of the drought. Parts of both countries are still experiencing droughty conditions. Trade reports from Australia suggest that the crop there may be reduced 25 per cent. Taking into account a reduction in seedings in Argentina and a continuation of droughty conditions in these two countries, it hardly seems likely that the Southern Hemisphere will produce more than 380 million bushels as compared with about 490 million bushels last year, a reduction of 110 million bushels.

The above indicated reductions total 570 million bushels, but these will be offset by some increases in production in Africa and Asia where crops are somewhat larger than last year.

The demand for wheat from surplus producing countries

European demand for wheat from surplus producing countries may be about as good as it was last year. Better corn crops in the Balkan countries will to some extent reduce the home requirements for wheat in those countries. Shorter wheat crops in several North European countries will more than offset the effect of the larger corn crop in the Balkan countries. France is reported to have a fairly large supply of old wheat, but Germany has smaller supplies than last year. Furthermore, the German rye crop may be smaller than last year.

The demand for wheat from the Orient may be greater than last year, but with higher prices the Orient probably will not take so much as was taken last year. Agricultural Commissioner Nyhus has reported that the wheat crop in the vicinity of Shanghai is not so good as last year. The North China crop is again short. Mr. Nyhus cables on August 8 that the arrivals of native wheat in Shanghai are heavy and excessive enough to depress current prices in spite of what is considered a short crop. The mills are well stocked for the present but prospective supplies for the fall months are small and millers expect that native supplies are not large enough to enable them to operate beyond December.

Supply in the United States

The United States crop is now estimated at 774 million bushels, compared with 834 millions in July and a production of 902 million bushels last year. This is the smallest crop to be harvested since 1925. The reduction in production a little more than offsets an increase in carryover. The distribution of the crop suggests an export surplus of hard red winter, durum and white wheats. The hard red spring wheat crop seems likely to be the smallest on record excepting that of 1926. The durum wheat crop is also relatively small, only slightly larger than that of 1926. The supply of the different classes of wheat is of course somewhat larger than indicated by the production distribution. There are large stocks of hard red spring, durum, and hard red winter wheats, but the stocks of hard red spring are probably not sufficient to provide a supply in excess of the usual domestic requirements for this kind of wheat.

WHEAT: Production 1/ by classes, 1920-1928

Year beginning July	Hard red spring	Durum	Hard red winter	Short red winter	White	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1920	140	52	302	247	91	835
1921	131	57	290	237	99	815
1922	170	91	280	248	79	868
1923	127	55	241	272	102	797
1924	192	66	365	189	52	864
1925	156	65	206	170	80	676
1926	121	48	360	229	73	831
1927	202	83	317	181	95	878
1928	195	98	384	140	86	902
1929 July	156	63	339	199	76	834
Aug.	126	54	330	189	75	774

1/ Estimates of production by classes are based on surveys made in 1920, 1923, and 1924 of the percentage of different varieties of wheat grown, supplemented by investigations and judgment of cereal specialists. All estimates are the result of applying percentages for each state to the production of each state as estimated by the Division of Crop Estimates save that durum estimates of four states are used directly. As there are changes from year to year in the relative amounts of the varieties of wheat grown and also changes in the relative yields per acre, these figures should be considered to be only rough approximations.

Prices

The marked rise in wheat prices which began in May was checked in the latter part of July. The average of all classes and grades at six markets in the United States rose from 94 cents the last week in May to 134 cents the third week in July. This rise was followed by a slight recession and then some recovery so that the average for the week ending August 2 was 135. Prices declined in the second week of August. On August 8, September futures in Chicago closed at 135, compared with 147 on August 1. October futures in Liverpool dropped from 155 on August 1 to 144 on August 8.

The movement of prices in the United States and Liverpool was reflected in other markets. German markets weakened. The spot price of wheat at Hamburg declined 4 cents and was \$1.78 on August 7. In Shanghai heavy receipts of local wheat have depressed prices. The local wheat was selling at 110 cents per bushel for August delivery and 117 for October delivery, while No. 2 red wheat from the United States, October shipment, was selling at 136 cents per bushel.

The present depression in wheat prices in world markets generally is due to heavy marketings of new wheat in the United States, which tend to depress both the cash and the futures market, and a speculative reaction from the rapid rise through June and the early part of July.

Price charts are shown at the end of this report.

WHEAT: Closing prices of July and September futures

Date	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires a/
	1928	1929	1928	1929	1928	1929
	Cents	Cents	Cents	Cents	Cents	Cents
July futures						
July 3:	136:	120:	128:	113:	136:	122:
11:	131:	122:	125:	116:	132:	125:
September futures						
18:	128:	146:	120:	140:	126:	148:
25:	124:	146:	116:	140:	121:	149:
Aug 1:	120:	147:	112:	141:	117:	149:
8:	113:	135:	105:	130:	110:	136:
15:	113:	:	106:	:	111:	:
22:	112:	:	105:	:	110:	:
29:	110:	:	103:	:	109:	:
Sept 5:	110:	:	103:	:	108:	:
	:	:	:	:	:	:

a/ Prices are of day previous to date of other market prices.
b/ August future.
c/ October futuro.

WHEAT: Weighted average cash prices at stated markets

Date	All classes and six markets	No. 2 hard winter	No. 1 dk. n. spring	No. 2 amber durum	No. 2 red winter	Western white
	1928	1929	1928	1929	1928	1929
	Cents	Cents	Cents	Cents	Cents	Cents
July 5:	137:	115:	136:	113:	153:	137:
12:	132:	119:	128:	117:	149:	141:
19:	129:	134:	126:	130:	146:	159:
26:	122:	133:	118:	129:	138:	155:
Aug 2:	118:	135:	114:	131:	141:	156:
9:	108:	:	105:	:	127:	:
16:	108:	:	105:	:	125:	:
23:	108:	:	104:	:	123:	:
30:	110:	:	106:	:	122:	:
	:	:	:	:	:	:

a/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery.

Wheat trade

Prospects of a short world crop and the rapid rise in prices through June and into July have had a tendency to check the world shipments of grain. The net movement of wheat from surplus producing countries through June and July was about 20 million bushels less than in the corresponding period of last season. This reduction is in the shipments from Canada which from four markets was 30 million bushels less than in the corresponding period of last year. The exports from the United States have amounted to nearly $13\frac{1}{2}$ million bushels as compared with 8,400,000 shipped last year, and the Argentine shipments have totaled nearly 18 million bushels as compared with 11 millions last year. At the present rate, the surplus Argentine stocks will soon be moved and much of the increase in the carryover of the United States will soon be accounted for by the greater volume of movement early in the season. With a shorter Canadian crop, competition with the United States for supplying the European demand through the late fall and winter months will be much less than last year.

WHEAT, INCLUDING FLOUR: Shipments from principal exporting countries

Country	:Total shipments:		Shipments, week			:Net movement from July		
	: or exports :		ending			:as far as reported		
	: 1927-:	: 1928-:	: July:	: July :	: Aug.:	: To and:	: 1928-:	: 1929-
	: 28 :	: 29 a/ :	: 20 :	: 27 :	: 3 :	: incl. :	: 29 :	: 30 :
	: 1,000 :	: 1,000 :	:1,000:	:1,000:	:1,000:		: 1,000 :	: 1,000 :
	: <u>bush</u> :	: <u>bush</u> :	: <u>bush</u> :	: <u>bush</u> :	: <u>bush</u> :		: <u>bush</u> :	: <u>bush</u> :
Canada:								
Shipments, 4:								
markets b/	:333,335:	:458,649:	:3,291:	:2,726:	:4,536:	:Aug. 3 :	:49,277:	:18,458
United States	:206,259:	:162,748:	:2,397:	:4,921:	:2,473:	:Aug. 3 :	:8,394:	:13,467
Argentina	:178,135:	:216,613:	:2,996:	:2,388:	:2,602:	:Aug. 3 :	:10,844:	:17,606
Australia	:72,962:	:112,054:	:1,160:	:1,256:	:592:	:Aug. 3 :	:5,800:	:5,568
Russia	:7,000:	:8:	:0:	:0:	:0:	:Aug. 3 :	:8:	:0
Damube Bul.c/	:32,847:	:2,712:	:120:	:8:	:208:	:Aug. 3 :	:0:	:456
British India	:14,328:	:12,727:	:0:	:40:	:16:	:Aug. 3 :	:944:	:112
Total	:844,866:	:940,057:	:9,964:	:11,339:	:10,427:		:75,267:	:55,667

Compiled from official and trade sources.

a/ Preliminary.

b/ Shipments from Ft. William, Port Artnur, Vancouver and Prince Rupert.

c/ This includes Hungary, Yugoslavia, Rumania and Bulgaria.

d/ Net imports.

WHEAT: Supply and distribution in the United States, 1925-1929

Item	Year beginning July 1				
	1925	1926	1927	1928	1929
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Supply:					
Stocks on farms July 1	29	21	27	24	45
Country mills and elevators	25	29	22	19	40
Commercial visible (Bradstreet's) ..	29	16	26	42	96
In merchant mills and elevators <u>a/</u> ..	23	25	37	32	48
In transit	9	7	11	11	16
Total stocks	115	98	123	128	245
Imports (grain only)	16	13	16	21	
Production	676	831	878	902	774
Total supply	807	942	1,017	1,051	
Distribution:					
Mill grindings (merchant mills) <u>a/</u> ..	537	556	558	568	
Mill grindings (custom and small mills)	10	10	10	10	
Seed requirements	83	89	95	88	
Total domestic accounted for ...	630	655	663	666	
Exports (grain only)	63	156	146	103	
Disappearance accounted for	693	811	809	769	
Carryover (including wheat of merchant mills in transit)	98	123	128	245	
Total supply accounted for	791	935	937	1,014	
Disappearance unaccounted for <u>b/</u> ..	16	8	80	38	

a/ Census Bureau, Department of Commerce, raised to 100 percent based on the Biennial Censuses of 1923, 1925 and 1927.

b/ Difference between total supply accounted for and total supply. Includes wheat fed to livestock, waste, loss and errors in estimates.

The Continental European wheat situation a/

Continental European wheat markets during July were generally more active than during June, according to Agricultural Commissioner Owen L. Dawson at Berlin. Prices showed a considerable increase although not so great as registered in overseas countries. Increases were less marked in France and the Danubian countries which is attributed by the trade to considerable domestic grain stocks left in France and the effort to force exports in Hungary. The main influence in the general price increase on the Continent during July was unfavorable crop development overseas, but this was to some extent offset by the relatively favorable crop developments on the Continent until a large part of the bread grain crop had matured.

Sales of flour were important throughout the month and prices moved in accordance with grain prices. July wheat stocks in Germany, Czechoslovakia, Austria and Poland, are not large and probably smaller than a year ago. Hungary, and to some extent Yugoslavia, sold large quantities during recent weeks and stocks of wheat were considerably reduced there but they are still of some importance and probably somewhat larger than a year ago. Domestic wheat stocks in France continued rather large and are probably also above last year.

The rye market showed great independence and did by no means parallel the tendency in wheat. Following a temporary price increase during the first half of the month, the market weakened somewhat and the price-spread between wheat and rye became very large, the largest on record since the campaign of 1925-26. The expectation of a large rye crop in the main producing regions, and considerable stocks of rye in Germany, Poland and other parts of Central Europe accounted for such market developments.

The feed grains market was active during July in contrast with the dullness prevailing in June. Prices were firm and generally good buying interest on the part of European importers was evident. Corn prices increased owing to good demand and considerable reduction in the Argentina corn shipments. The prospects for a large corn crop in Southeastern Europe were apparently of less influence upon the market than the outlook for a considerably reduced corn crop in Argentina compared with last year. Feed barley also showed an increase in prices and experienced good demand in Central Europe. The trade thinks that prospects for a considerably reduced crop of winter barley in Continental Europe was a factor in this situation. Less improved demand was evident in the case of oats, but the market tendency was generally firm.

Reports on crop conditions in Continental Europe indicate some improvement compared with the status at the time of our last report. However, the recent dry weather coupled with excessive heat over most of the Continent has been detrimental to late grains but no estimates on the extent of the damage are yet available. Prospects for the corn crop in Southern and Southeastern Europe were very favorable until recently; cooler weather and timely rains,

A/ By Acting Agricultural Commissioner Owen L. Dawson, Berlin, Germany, July 24, 1929. Brought up to August 10 by cable.

however, would make it certain that the outturn of the corn crops in these countries will considerably reduce wheat requirements there compared with last year.

The harvest of bread grains is over in parts of Southern Europe and in full swing everywhere except in Scandinavia.

It still appears that the Continental European wheat crop will be below last year, but somewhat above average, as the weather was quite favorable during the critical period except in northern sections where the heat wave was detrimental to the maturing crops. The situation in individual countries is as follows:-

- (a) Extensive winter-kill and early unfavorable growing weather will reduce the French wheat crop below last year. Weather in early July improved the prospect but the recent heat wave is said to have injured the wheat in northern sections where it had not yet matured.
- (b) Germany will have a smaller wheat crop than last year, but above average, somewhere between the results of 1927 and 1928. The German rye crop is now thought to be from 10 to 20 per cent below last year and in view of this it is quite certain that the total European production will be below 1923.
- (c) Italy's wheat crop has been estimated at 10,000,000 bushels above last year's good crop, but according to unofficial reports this estimate seems to be too high.
- (d) Extremely heavy winter-kill in Belgium and the Netherlands will reduce the wheat crops there materially below last year.
- (e) Hungary's and Rumania's wheat crops will also be materially below last year, the former about 30, the latter about 20 per cent below, largely because of extensive winter-kill in important regions.
- (f) Yugoslavia and Bulgaria will also produce wheat crops below last year's production.
- (g) Spain will have a wheat crop above last year's light crop.
- (h) Other countries taken as a whole will not show material change.

The effect of this year's harvest in Europe on the continental market is still uncertain. The wheat crop now appears 9-10 per cent below last year or about 4 per cent above average. Prospects for a rye crop in Central Europe are close to last year's large crop and stocks are still large. A good corn crop in Southeastern and Southern Europe would doubtless reduce wheat requirements of the Continent materially. Corn prospects are good at present but unfavorable weather from now on could reduce the prospects considerably.

GERMANY

Wheat and wheat flour prices in Germany have increased considerably during the past month. The crop outlook overseas was mainly responsible for this marked upward price movement but the fact that duties on wheat, rye, and wheat and rye flour were increased, and that a law prescribing the percentage of domestic wheat to be milled in German mills was to become effective on August 1 was also a market factor. The duties on wheat were raised effective July 10, from 32.41 cents per bushel to 42.14 cents for the "most favored nations"; and the duty was raised from 30.25 to 36.30 cents per bushel on rye and 17.29 to 20.74 cents per bushel on oats. Canada and Australia which are not among the "most favored nations" now have to pay 48.62 cents per bushel for wheat, 42.35 cents per bushel on rye and 24.20 cents on oats. The duty on wheat and rye flour was raised from \$1.24 per 100 pounds to \$1.57 for the "most favored nations" and from \$1.35 to \$1.57 for the others. That the tariff rates would be increased was already known toward the end of June. Buying of spot grain was therefore very active in the free ports and also in the Dutch and Belgian markets before July 10 and available stocks decreased considerably in the free ports and the Dutch and Belgian ports. Volume of business in wheat and flour was larger than in the foregoing period. Foreign grain was of very great importance as the domestic stocks of the old crop are small and farmers remained generally reluctant to sell. Wheat prices are expected to be firm during the next few months. According to the new law 40 per cent of the wheat milled by German flour mills between August 1 and November 30 must be German wheat and during the whole period from August 1, 1929 to July 31, 1930, 30 per cent has to be German wheat. As harvesting of the various crops will keep farmers very busy in the near future and as the old stocks are small, domestic wheat is expected to meet with a very active demand.

The rye market in Germany did not develop in sympathy with the wheat market. The crop outlook for rye developed favorably in the European continent. The favorable European outlook for rye coupled with the fact that the stocks of rye of the old crop in Germany as well as in the neighboring countries are still large caused a weak tone in the market. Market deliveries of rye were comparatively large. Rye prices in Berlin were 116 cents per bushel on June 26 and on July 24, whereas wheat prices increased from 143 cents to 167 cents per bushel. The difference between the wheat and rye price was 51 cents per bushel on July 24 compared with 27 cents on June 26 and about 10 cents at the beginning of January 1929. The rye market was temporarily firm during the first ten days of July, but weakened again later. The development of wheat and rye prices is shown in the following table:

GERMANY. Price per bushel of domestic wheat and rye, 1929

Date of quotation :	Wheat			Rye
	Hamburg a/	Breslau b/	Berlin c/	Berlin d/
	Cents	Cents	Cents	Cents
June 12	148	137	136	113
June 19	148	137	140	114
June 26	152	141	143	116
July 3	161	149	158	132
July 10	165	153	155	122
July 17	182	163	169	123
July 24	181	162	167	116

a/ Wheat of any German district of at least 58.7 pounds per bushel.

b/ Wheat of any German district in carloads of 370 bushels of at least 58.7 pounds per bushel.

c/ "Markischer" wheat of at least 58.7 pounds per bushel.

d/ "Markischer" rye of at least 55 pounds per bushel.

Wheat imports in June were smaller than expected, being only 6,913,000 bushels compared with 7,052,000 bushels in May, 1929, and 6,809,000 bushels in June 1928. During the first ten days of July, before the new duty became effective, importation of wheat was very large. During the total campaign 1928-29 about 12,000,000 bushels less than last year were imported. Wheat stocks in the ports, in the hands of the mainland trade and the flour mills seem to be comparatively small and smaller than last year. The visible stocks of wheat in Berlin on June 30 were about 10 per cent smaller than last year. The apparent disappearance of wheat in Berlin during June was somewhat smaller than in May 1929 and in June 1928.

The farm stock figures of the Deutscher Landwirtschaftsrat as of June 15, 1929, indicate that wheat stocks were smaller than last year, whereas rye stocks were to a considerable extent larger than last year. Figures of the stocks available for sale were not reported for June.

Grain stocks on German farms on June 15, 1928 and 1929

Grain	Stocks June 15		Percentage of crop	
	1928	1929	1928	1929
	1,000 bushel	1,000 bushel	Per cent	Per cent
Wheat	11,000	9,800	9.1	6.9
Winter rye ...	17,000	36,000	6.3	10.9

FRANCE

The French wheat market did not develop in full sympathy with the world market. Prices have increased to some extent as a consequence of the reduced

crop expectations overseas, but to a much lesser extent than elsewhere. It appears that there are still large stocks of wheat of the old crop which have to be sold. Flour mills were reluctant and bought only comparatively small quantities. Another factor partly responsible for the weak undertone in the French wheat market was favorable weather for crops during June and early July. Many reports state that the grain crops have improved greatly and are rather optimistic. We think, however, that in spite of a considerable improvement in conditions this year's crop will be smaller than last year's owing to the extensive winter-kill in the northern sections and drought during the spring. The recent period of hot weather may also reduce the crop in the north. In the southern sections harvesting is in full swing.

NETHERLANDS AND BELGIUM

The wheat market in Holland and Belgium was generally firm and active with large transactions in spot and future business. On some days business was restricted because the belief prevailed that the unfavorable weather reports were exaggerated. Before the increase of the German tariff rates became effective large quantities of spot wheat in the seaports were bought by German firms and immediately transported to Germany. This resulted in a considerable decrease of stocks which became unusually small.

The rye outlook for Belgium is reported fairly favorable, but in wheat and barley the crop is expected to be below normal. In Holland the condition of wheat is below last year and below average. Rye, however, is about average and is generally better than wheat.

DANUBE BASIN

In the deficit countries Austria and Czechoslovakia wheat prices have increased under the influence of the firm world market. The firmness, however, was not as pronounced as elsewhere. The fact that crop reports from the Danube Basin sounded mostly favorable caused a tendency against a too strong increase of prices. The market remained generally quiet in spite of large transactions on some days. The flour mills were reluctant and bought only moderate quantities. It appears that the domestic wheat stocks of the old crop are not unusually large in Czechoslovakia and Austria. On the other hand there are still important quantities of rye which have to be consumed. Present conditions in Czechoslovakia promise a medium to good crop, the outlook for wheat being better than for rye. In Austria crop prospects have improved during June. The wheat outlook is about as good as last year and the rye outlook somewhat better.

The large increase of wheat prices in the world market had also a stimulating influence on some markets of the surplus countries of the Danube Basin. In Hungary export business was active around the middle of July. Hungarian prices had not increased to the extent of overseas and this brought Hungarian wheat into a more favorable competitive position. Markets in Yugoslavia and Rumania were quiet.

The crop outlook in the Danubian countries has developed quite favorably since our last report. The first official Hungarian wheat estimate as per June 19 of 63,419,000 bushels was raised to 70,547,000 bushels in the second estimate of July 3 and later to 70,768,000 bushels on July 15. According to private reports threshing returns have proved to be satisfactory and there may be some chance for a further increase of the estimate. It is also noted that estimates are frequently revised upward later in the year. Reports from Rumania are contradictory; the most reliable estimate given out seems to be the first official estimate according to which this year's wheat crop will be 94,835,000 bushels or about 18 per cent less than last year and on the basis of the reduced acreage this appears too high. Private reports on the probable outturn of the Yugoslavian wheat crop have been mostly favorable during the past month. It is not likely, however, that the crop will be as large as last year and that the quality will be as good. The corn crop shows a very satisfactory condition in all Danube countries and it is likely that corn will be consumed in large quantities next year instead of wheat unless future weather conditions turn decidedly unfavorable for the corn crop.

POLAND

The wheat and rye market was comparatively quiet during the period under review. Wheat stocks are comparatively small and prices have therefore recovered. Large quantities of rye are still available in the country and have to be disposed of. Rye prices are very much depressed, prices for rye being nearly 50 per cent lower than wheat prices. The demand for wheat was also limited as flour mills showed an attitude of reluctance and bought only for current needs.

It is probable that this year's wheat and rye crops will be larger than last year. Weather conditions were mostly favorable during June and July; local damage from storms will have little influence on the outturn of the total crop.

ITALY

The wheat market in Italy became brisker and firmer toward the end of June. Foreign grain transactions, however, remained limited and more business was done mainly in domestic wheat. Weather conditions were not especially favorable during June and July; storms and drought have caused damage in spots. In the southern sections and in parts of central Italy harvesting of wheat has been practically completed. Some reports state that threshing returns have shown satisfactory results. The crop outturn varies greatly within small sections and, therefore, it is difficult to estimate the total amount. The crop is expected to turn out lower than last year and be near the average.

SOVIET RUSSIA

Reports on the development of the procuring campaign are again very scarce with indications that the Government is experiencing difficulties in securing grain from the more well-to-do peasants, the latter preferring in some cases to hide their stocks at the risk of losses from storage and confiscation rather than sell them to the Government. The increasing tendency of procurings at the beginning of June indicated in our report of June 27, seems to have resulted in a rather sharp increase in June procurings, according to newly published reports, but no figures on the actual level of procurings are available. There are as yet no data available on procurings during 1928-29 except the statement recently made by a high Russian official that procurings of grain were 2,892,000 short tons below those in 1927-28. This decrease of somewhat more than 25 per cent is entirely due to unsatisfactory developments of the campaign during the second half of the year, as procurings were still ahead of those of the preceding year on January 1, 1929 - the latest date up to which figures were regularly published. A preliminary statement for Ukraine alone indicates that procurings there were considerably below those of the previous years, having amounted to only 1,484,000 short tons compared with 4,451,000 short tons in 1927-28 and 3,444,000 in 1926-27. Procurings in RSFSR during the first nine months of the past campaign were reported to have amounted to 7,731,000 short tons. This means an increase of 11.9 per cent over procurings during the same period in 1927-28 which was due to increased procurings of wheat (+ 41 per cent) as well as of some other minor crops, while procurings of rye showed the large decline of 54.5 per cent.

A member of the Commissariat of Trade of USSR when discussing the preparations for the new grain procuring campaign, stated that larger receipts of grain than last year are to be expected during the first quarter of the current agricultural year in view of the better crop outlook and the improved organization of the campaign. This fact, coupled with the large returns of grain expected from the "contracted" fields a/, as well as measures taken by the Government to accelerate the delivery of grain by the Soviet and Collective farms caused the Commissariat to raise the grain procuring plan for the first quarter of 1928-29 to a higher level than last year. No doubt receipts of grain from the "socialistic sector" of agriculture and from contracted fields will be a favorable factor. However, the outlook for Government purchases of grain from individual peasants is rather uncertain in view of the strong opposition of certain classes of the agricultural population, the press indicating that grain procurings are at present the most important field of "class war" and that grain procurings are not a business transaction of the organs concerned but that they are a most important measure carried on with the active help of the poor and middle class circles of Russian peasantry. The attitude of the peasants toward the Government, however, will be of less influence during the first months of the campaign when peasants will be obliged to sell at least some of their grain to meet their obligations and cover their requirements for industrial goods. The supply of the latter will be of even greater importance this year than has been true during the preceding years. Shipment of industrial goods to the villages is to increase considerably during the first quarter

a/ Who have undertaken to deliver their grain within the first two months after the date of harvesting.

of the agricultural year compared with the same period a year ago, according to plans announced by the planning organizations.

The latest issued official crop condition report is that of July 1 which places all crops in the Union at 115 points compared with 111 points on June 15 and 118 a/ points on July 1, 1928. The corresponding crop condition estimate for RSFSR (Russia Proper) is 112 points compared with 121 a/ last year and for Ukraine 123 compared with 111 a/ points a year ago. However, this deterioration of crop conditions compared with 1928 is not indicated either by the Russian press or by Russian officials. On the contrary, prospects for this year's crop in general are regarded as rather favorable and better than a year ago. Thus, for example, the Chairman of the Commissariat of Trade of USSR, Mikojan, recently stated that, on basis of the conditions per July 1, the crop will be 5.5 to 6.5 million short tons above that of last year. Other reports vary between 3 and 5.5 million short tons. It is also pointed out that the geographical distribution of the crop is more favorable than a year ago, being more uniform in character and not showing such large fluctuations as in 1927-28. In a country like Russia where transportation and storing facilities are not adequate, the possibility of utilizing transportation means to a better extent is very important. On the other hand, factors unfavorable to the outlook of the crop are the winter-kill, which, though below last year, was still important this year, as well as adverse weather conditions prevailing at the end of May and part of June. The dry hot winds reported at the end of June in North Caucasus are said to have reduced the crop there considerably, a Government official recently indicating that the damage from these winds amounted to not less than 1,500,000 short tons. However, it is still thought that this year's crop in North Caucasus will be somewhat higher than a year ago, due to the considerable increase of acreage.

Weather conditions seem to have been unfavorable to the growing crop during the first ten days of July, according to the report of the Meteorological Section. Heavy showers occurred in parts of the western section of Central Fertile Region and eastern section of Central Industrial Region, which may have resulted in lodging, while hot dry weather prevailed in the eastern and south-eastern section of Middle Volga, Transvolga, southern section of the Middle Volga region, north and northeastern section of Ukraine. On the other hand, conditions were favorable in the western section of Middle Volga, northwestern section of Lower Volga and northeastern section of the Central Fertile Region, where moderate but frequent rains occurred.

Preliminary information from Crimea and North Caucasus - where harvesting started earlier than in other regions - indicate that the quality of this year's crop is satisfactory, and in some cases above last year. With weather conditions reported favorable to harvesting up to now, Russian authorities hope that this preliminary estimate based on data from the extreme south may prove characteristic for the crop as a whole. However, it remains to be seen what effect the rather unfavorable weather conditions reported for the first ten days of July had upon the quality of the crop.

a/ No comparison figures for last year were given in the above mentioned report the figures mentioned for July 1, 1928 being those published at that time.

Harvesting is in full swing in the southern regions of the Union and about to begin in the eastern regions, with threshing also reported started in some localities. The campaign is showing certain defects in organization, such as shortage and poor distribution of machinery, etc., but this may be regarded as "seasonal factor" as the past campaigns were also carried on under similar circumstances. The first lots of grain have already appeared on the market in Southern Russia and in regions where this had been the case prices showed a declining tendency.

The 1929-30 plan of foreign trade was recently announced by the Government, at which occasion it was stated that no exports of grain are planned again this year.

WHEAT: Production in European countries, average 1924-1928,
annual 1927-1928 and preliminary estimates for 1929. a/

Country	Average 1924-1928	1927	1928	1929 preliminary
	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>
Germany	112,991	120,522	141,593	(121,000)
Italy.....	211,208	195,809	228,596	238,832
France.....	280,140	276,128	281,285	(279,000)
Belgium.....	14,910	16,277	17,986	(14,700)
Netherlands.....	5,853	6,157	7,336	(5,500)
Czechoslovakia.....	39,512	40,385	51,499	(40,000)
Austria.....	10,684	11,960	12,860	(12,860)
Switzerland.....	3,852	4,119	4,270	(5,900)
Denmark.....	9,200	9,408	12,214	(10,300)
Poland.....	50,165	54,230	59,219	(61,000)
Spain.....	139,687	144,825	122,640	139,808
Total, 10 def- icit countries	878,202	879,820	939,498	928,900
Hungary.....	74,859	76,933	99,211	70,768
Yugoslavia.....	73,541	56,568	103,294	(85,000)
Rumania.....	99,664	96,734	115,544	94,835
Bulgaria.....	39,083	42,121	50,691	37,441
Total 4 sur- plus countries	287,147	272,356	368,740	288,044
Deficit countries...	878,202	879,820	939,498	928,900
Surplus countries...	287,147	272,356	368,740	288,044
Total 14 countries...	1,165,349	1,152,176	1,308,238	1,216,944
Other Europe.....	100,000	110,000	102,000	100,000
Total Europe....	1,265,000	1,262,000	1,410,000	1,317,000

a/ Figures in parenthesis are unofficial estimates.

WHEAT INCLUDING FLOUR: Net exports from principal exporting countries and net imports into European importing countries 1927-28 and 1928-29

: Net exports reported ::				: Net imports reported			
Country	: July :	:	:	Country	: July :	:	:
	: 1 :	:1927-28:1928-29::			: 1 :	:1927-28:1928-29	
	: to :	:	:		: to :	:	:
		:Million:Million::				:Million:Million	
		:bushels:bushels::				:bushels:bushels	
		:	:			:	:
		:	:	United Kingdom	:June 30:	211	: 204
		:	:	Italy	:June 30:	87	: 89
		:	:	Germany	:June 30:	92	: 69
United States	:June 30:	191	: 142	France	:June 30:	54	: 51
Canada	:June 30:	305	: 422	Belgium	:May 30:	39	: 38
Russia	:June 30:	5	:a/	Netherlands	:June 30:	31	: 29
British India	:June 30:	12	:b/-13	Czechoslovakia	:June 30:	21	: 17
Hungary	:Apr 30:	20	: 20	Greece	:May 30:	17	: 20
Rumania	:Mar 31:	7	: 4	Irish Fr. State	:May 30:	17	: 16
Bulgaria	: -:	-	: -	Austria	:June 30:	16	: 16
Yugoslavia	:Mar 31:	1	: 6	Switzerland	:June 30:	18	: 15
Algeria	:June 30:	5	: 4	Sweden	:June 30:	9	: 8
Argentina	:June 30:	183	: 217	Norway	:May 30:	6	: 8
Australia	:June 30:	75	: 112	Denmark	:May 30:	10	: 16
	:	:	:	Finland	:May 30:	5	: 5
	:	:	:	Poland	:May 30:	6	: 4
	:	:	:	Estonia	:June 30:	1	: 1
	:	:	:	Latvia	:Mar 31:	1	: 2
	:	:	:		:	:	:
	:	:	:	Total important:	:	:	:
Total	:	: 804	: 914	European coun-	:	: 641	: 608
	:	:	:		:	:	:

a/ Less than .01 million bushels. b/ Net imports.

CanadaIncreased elevator storage for grain at Port Colborne

Consul Stewart at Port Colborne reports "an announcement by the Maple Leaf Milling Company of Canada, Limited, that it would erect in Port Colborne, Ontario, at once a storage elevator having a capacity of 1,000,000 bushels, a feed mill with a daily capacity of 400 barrels, and a new bag factory with a capacity of more than 70,000 per day. The building housing the present bag factory, it is said, would be abandoned and used for storage in conjunction with the feed mill."

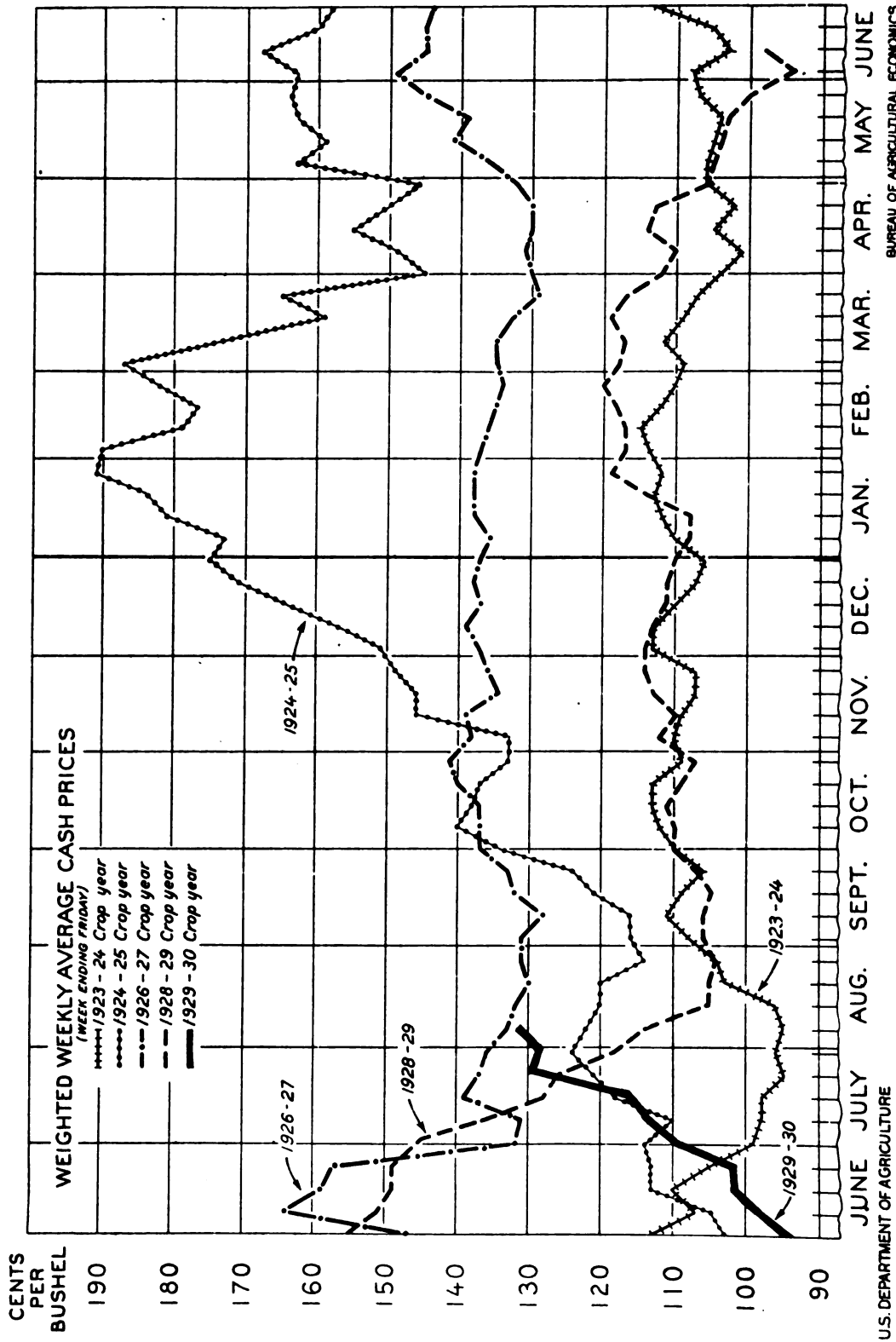
"The feed mill at West Toronto, much smaller than that contemplated here, it is said, will be discarded and all the firm's rough feed manufactured at Port Colborne."

Foreign tariffs on wheat

Countries		: Per bushel : (60 lbs.)
		: <u>Cents</u>
Canada:		:
General (from United States)		: 12.00
Preferential (British Empire)		: 8.00
United Kingdom		: Free
Japan 1½ yen per 100 kin		: 1/ 31.34
	<u>Per 100</u>	:
	kilograms	:
Germany:		:
General (Canada, Australia, etc.)	7.50 Marks	: 48.62
Conventional (from United States)	6.50 Marks	: 42.14
France	50 Francs	: 53.31
Italy	14 Gold Lire	: 73.54
Sweden	3.70 Crowns	: 1/ 26.99
Norway		: Free

1/ Conversion to U.S. currency made on the basis of the rate of exchange prevailing on July 17, 1929; other conversions at par of exchange.

WHEAT: PRICE OF NO.2 HARD WINTER AT KANSAS CITY



UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

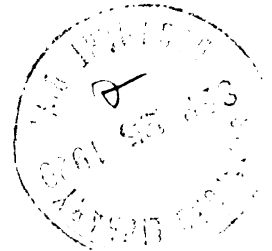
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WH-40

September 16, 1929

FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS
To Sept. 12, 1929



The world wheat situation in September has not changed materially from what it was in August. The world's supply for the 1929-30 season appears likely to be about 3,950,000,000 bushels, a reduction of 360,000,000 bushels from last season. Conditions to date indicate that world production will total about 3,400,000,000 bushels, or 500,000,000 bushels less than last year.

The world's production is considerably less than the world consumed last year. With higher prices and better corn crops in southern Europe consumption will be reduced but it seems probable that consumption will exceed production and the carryover at the end of the year will be less than the stocks on hand at the beginning of the year.

It is probable that Europe will take in the season June 30, 1929, to July 1, 1930, nearly as much wheat as in the past season, but the Orient will take considerably less. Larger crops will reduce the demand of France and the south European countries but some of the north European countries will have to buy about as much as they bought last year to meet their food requirements. South and Central American countries will probably take about as much as last year. The Orient, which last year

took large quantities of low priced wheat from Canada, will probably curtail consumption on account of higher prices.

A large carryover of old wheat, mostly in the United States, an early harvesting season, and a continuation of exports in large volume from Argentina have contributed to a temporary depression in wheat markets. Buying in some of the north European markets has slackened on account of accumulations of stocks of old wheat and in the southern European markets on account of new domestic wheat supplies becoming available. The south European exporting countries, however, have continued to sell wheat and the United States has shipped in July and August 13,000,000 bushels more than in the corresponding months of last year.

The demand for wheat from the United States should improve shortly both on account of a reduction in supplies from the Southern Hemisphere countries and increased activity in buying in European markets. Several of the north European countries will have to buy large quantities of wheat and the stocks they now have on hand with their domestic supplies are not sufficient to take them out of the market for a period of any length. Australia has only a small surplus remaining for export in the next three months. Argentina probably can not continue to ship 6,000,000 bushels a week through the next three months. With a short crop in Canada exports from that country will move at a much lower rate than last year.

In the United States the pressure of the movement of new wheat from the farm to market has probably reached the turning point except possibly in the spring wheat markets. Receipts are declining. Cash

prices, which have declined under the pressure of heavy marketing, are likely to improve as the marketings slow up.

The world wheat market situation appears to be quite similar to what it was in September, 1924, with some shift in the location of supplies. The movement of prices to date has been quite similar to that of the corresponding period in that season. While the course of prices through the remainder of the season may not correspond exactly with the course of prices in the 1924-25 season, the situation now seems to be such that a similar movement for the remainder of the season may be expected. Larger supplies in Europe, however, may prevent prices from rising as high or as rapidly through the fall months as in 1924.

WHEAT: World supply, price and disappearance

Year	Production					
	United States	Canada	Argentina	Australia	Europe ^{a/}	All other ^{a/}
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1923-24	797	474	248	125	1,257	650
1924-25	864	262	191	165	1,051	610
1925-26	676	395	191	115	1,391	667
1926-27	831	407	221	161	1,205	595
1927-28	878	480	239	117	1,262	677
1928-29	902	567	307	159	1,413	552
1929-30 ^{b/}	786	294	^{c/} (230)	(105)	1,370	615
	World production ^{d/}	Shipments from Russia	Stocks accounted for July 1	Total supply	Total disappearance	Average price per bushel British parcels
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Cents
1923-24	3,551	21	305	3,877	3,528	121
1924-25	3,143	1	349	3,493	3,202	179
1925-26	3,435	27	291	3,753	3,479	170
1926-27	3,420	49	274	3,743	3,396	164
1927-28	3,653	5	347	4,005	3,584	154
1928-29	3,900	0	421	4,321	3,764	128
1929-30	3,400	0	557	3,957		

^{a/} Excludes Russia.^{b/} Preliminary.^{c/} Average yield 1919-1928 applied to 1929-30 acreage.^{d/} Excludes Russia and China.

World production and crop conditions

Forecasts and estimates of production in 30 countries to date indicate a production of about 2,865,000,000 bushels, or 381,000,000 bushels less than was produced in the same countries last year when these countries produced 83 per cent of the world's crop outside of Russia and China. Weather and condition reports to date indicate a possible reduction of 125,000,000 bushels in the Southern Hemisphere crops.

The September spring wheat forecast of the Crop Reporting Board of the United States indicates a production of 786 million bushels in the United States, a reduction of 116 million bushels from the crop harvested last year. This reduction is mainly in spring wheat including durum, which is 97 million bushels less than last year.

The Canadian official report as of September 1 indicates a production of 22,000,000 bushels of winter wheat and 272,000,000 bushels of spring wheat making a total of 294,000,000 bushels, a reduction of 273,000,000 bushels from the crop harvested last year.

The official report confirms the earlier forecast of the Statistician of the Canadian Wheat Pool who announced for release September 7 an estimate of 272,000,000 bushels produced in the Prairie Provinces. According to Mr. Cairns, the crops now being harvested by provinces in comparison with production last year are as follows:

	1928	1929
	<u>Million bushels</u>	<u>Million bushels</u>
Manitoba	47	32
Saskatchewan	316	156
Alberta	162	84

These estimates are in line with yields calculated from weather reports. Readers of Foreign News on Wheat will recall that an analysis of weather conditions published in the June issue indicated that with average conditions for the remainder of the season the yield per acre in Canada would be 15 to 16 bushels, and assuming an area of 24,500,000 acres the crop would be about 360,000,000 to 400,000,000 bushels. This calculation was made in May on the basis of weather conditions through April. The area as now reported is 25,251,000 acres. Conditions have continued to be unfavorable for the crop and considerably below average. Last month we indicated that the Canadian crop would probably be about 300,000,000 bushels, which is only 7,000,000 bushels in excess of the September official estimate. An analysis of weather conditions to date indicates a crop within a range of 290,000,000 to 330,000,000 bushels. The official forecast is still subject to revision and the actual out-turn of the crop will not be definitely known until the end of the marketing season.

Consul Heintzleman of Winnipeg reports as of August 31 that the harvest is making good progress. The cutting of wheat is far advanced in all the provinces and threshing is in progress. Combines are in fairly general use throughout the three provinces.

There is a fairly good yield on the summer fallow a/ and new breaking, but very poor on stubble. The grading of the wheat is reported to be better than was expected, the bulk of it thus far grading No. 2 Northern to No. 4. Much of the wheat is shriveled but appears to be high in protein. Consul Heintzleman quotes the western general manager of the Lake of the Woods Milling Company, Winnipeg, as follows:

"The crop as a whole is much stronger than for the last few years. Results of our protein tests to date are shown in comparison with average of the past three years:

	1926	1927	1928	1929
Manitoba	11.4	11.2	12.3	13.3
Saskatchewan	13.6	12.3	12.8	14.8
Alberta	15.5	11.8	12.0	15.2

"These figures give an average of two per cent higher protein on this crop over last year, which is a desirable feature, especially from viewpoint of the baker.

"Milling quality of new wheat from Manitoba has so far been good, but from Saskatchewan and Alberta only fair. Most of the Manitoba samples are plump and well filled, and give good returns in flour yields.

"On the other hand, Saskatchewan and Alberta samples are nearly all lean, showing very decidedly the effects of drought and excessive heat.

"Baking results from new samples have been excellent. Loaf volume is larger than last year, due to effect of higher gluten content.

"Color of flour and bread slightly creamy, but satisfactory for new wheat. Absorption and bread yield give promise of being superior to last year."

Hence it appears that this year's Canadian crop is likely to grade higher and be more valuable per bushels than last year's crop.

Argentina

The Argentine crop is still somewhat uncertain. Drought and relatively high prices for corn have checked expansion and reduced the wheat area. The area seeded is reported as being officially estimated at 19,027,000 acres, a reduction of 9 per cent. Droughty conditions have continued and apparently subsoil moisture is scarce, as it was in Canada in the spring. The precipitation reported to the United States Weather Bureau in August and the first of September was very scant, amounting to only two-tenths of an inch in the north and three-tenths of an inch in the south in the six weeks ending September 9, which is only about a third of the average for the period. Total rainfall since the first of October has been deficient also. In the Northern zone from October through July it was between $2/3$ and $3/4$ of normal. Temperatures during August and early September were generally above normal, which in the absence of rainfall is also detrimental to the crop. With favorable conditions for the remainder of the season it seems doubtful that yields could be better than average, which in the past ten years has been 12 bushels per acre. Average yields upon the acreage reported would produce a crop of only about 230,000,000 bushels, as compared with a crop of probably over 300,000,000 bushels in the past season.

The actual outturn of last year's Argentine crop is still somewhat uncertain. Some time ago the crop was officially estimated at the equivalent of 307,000,000 bushels. Recently it was reported that the crop is officially estimated at about 282,000,000 bushels. Shipments from Argentina, January 1 through August have totaled about 196,000,000 bushels. Assuming that the domestic consumption for seed, feed and food amounts to about 80,000,000 bushels, we have accounted for 276,000,000 bushels to date and Argentina is still shipping at the rate of about 6,000,000 bushels per week. It seems reasonable to assume, therefore, that the crop amounted to at least 300,000,000 bushels. For the present we are continuing to use the 307,000,000 bushel figure as the nearest approximation to the probable outturn of the Argentine crop last year. Using this figure and assuming an average yield for the present season would indicate a reduction of about 75,000,000 bushels.

AUSTRALIA

The Australian wheat crop is still suffering from droughty conditions in the eastern States. In the second week of August these States received some rain which was beneficial. But a cable from Sydney as of September 10 states that August rains were totally insufficient to afford subsoil moisture which the crop urgently needs. Our correspondent estimates the Commonwealth crop on the basis of present conditions at 105,000,000 bushels. Last year the Commonwealth produced about 160,000,000 bushels. The Australian production by States was as follows:

Million bushels

New South Wales	50
Victoria	46
Western Australia <u>a/</u> ..	34
South Australia	30

a/ Recently revised from 32 to 34 million.

The wheat growing area of Western Australia has had ample rainfall to provide subsoil moisture for the seed bed and the crop in this State looks good and is in position to survive a fairly dry growing season. This territory has seeded an area 10 per cent greater than last year, making a total of about 3,500,000 acres for grain and it is reasonable to expect a production of 35,000,000 to 40,000,000 bushels. Drought in September and hot dry winds in September or October might, however, reduce yields.

Rainfall in the eastern States has been considerably below normal in the wheat growing areas. In South Australia, Victoria and New South Wales the area seeded probably has been reduced from about 11,000,000 acres in 1928 to 10,000,000 acres. Our correspondent believes that scarcity of subsoil moisture has already resulted in an abandonment of about 1,000,000 acres reducing the effective grain producing area to about 9,000,000 acres. He also believes that it is now too late for even good general rains to repair the damage. Germination has been indifferent and stooling generally bad. Some areas have been grazed. Under the most favorable conditions our correspondent believes that the eastern wheat States of Australia can produce only about half the quantity returned last year.

Apparently Australia has only a very small quantity of wheat on hand for export during the remainder of the season and for carryover at the end of the season. From an exportable surplus of 100,000,000 to 110,000,000 bushels Australia has shipped to August 31 about 92,000,000 bushels, leaving at the most only about 18,000,000 bushels for export in the four months, September - December, and for carryover into the new year beginning January 1. In the past month weekly shipments have averaged a

little over 1,000,000 bushels. With prospects of a short crop it is doubtful that this average of shipments will be maintained through the remainder of the season as there is likely to be a tendency to hold on to some of the wheat for domestic consumption or to supply usual export demands in the coming season.

Wheat growers in the United States may be interested in some notes relative to the cost of producing wheat in Australia. The Pastoral Review has from time to time published estimates of the cost of production of wheat in Australia which have shown a range of from about 109.5 cents per bushel to 194.7 cents per bushel. The variation has been due chiefly to the value of the land farmed and the yield produced. In the July, 1929 issue are published the following estimates as prepared recently by the Horsham (Victoria) Agricultural Society which had appointed a special committee to ascertain production costs on the Wimmera plains, probably the most productive wheat district in Australia. For the purpose of the computation a farm of 640 acres was taken, where a system of two year rotation (bare fallow-wheat) is followed. The farm is valued at \$107 an acre. Six hundred acres are in cultivation regularly, 300 being under fallow, 260 sown with wheat, and 40 with oats, the average yield being 27 bushels wheat, and $2\frac{1}{2}$ tons hay per acre. After adding the farmer's own wages at the rate of \$24.23 per week, the cost is shown to approximate 129.27 cents a bushel delivered at the railway yards 10 miles away. If wages are not charged the cost is about 113.55 cents a bushel.

The practical value of the estimate may be gauged when it is mentioned that an individual farmer, also in the Wimmera, but working cheaper land, has prepared a balance-sheet which shows he can produce wheat at 81.11 cents a bushel in a normal season. Still another man, this time in Riverina, on land that costs \$68.13 per acre, is able to grow the crop at a cost of 66.91 cents a bushel. The last mentioned adopts the most scientific methods of cultivation, and obtains an average yield of 26 bushels, an exceptionally high return for Riverina. (Pastoral Review, July 16, 1929)

The demand for wheat from surplus producing countries

The European demand for overseas wheat probably will be about as good as it has been in the past season. The takings are likely to be less than last year but at higher prices. Forecasts and estimates to date indicate that European production outside of Russia will be about 1,370,000,000 bushels, or only about 40,000,000 bushels less than last year. The corn crop of southern Europe is much better than last year. The rye crop in countries reporting to date is also a little larger than last year. France and several of the southern European countries are harvesting larger wheat crops. Larger supplies of corn in the Balkan countries will free more of the wheat for export. Larger supplies of corn and wheat in Italy, Spain and France will reduce the import requirements of those countries.

But Italy will still be in the market for durum wheat from the United States and Canada and some other hard wheats to meet the demand for hard wheat flours. France will also purchase hard wheats to mix with her own and to meet special demands for flour from this type of wheat. The demands of these countries probably will not be reduced in proportion to increases in crops. Many of the north European countries which import large quantities have shorter crops and will probably buy about as much wheat as last year. The United Kingdom customarily produces but a very small percentage of her bread supplies and is this year harvesting a small crop. Germany has smaller wheat and rye crops and may import more wheat than last year. The same may be said of Belgium and the Netherlands. Increased imports by these countries will largely offset reductions in the imports by the southern countries.

The great expansion in consumption in the past season was not in Europe but in the Orient. China and Japan imported large quantities of wheat and flour, partly because it was cheap. Consul Kemper cables from Tokyo, September 6, that mill stocks are larger than normal, export demand fair, but milling activity below the high level of last year. Agricultural Commissioner Nyhus cables from Shanghai, September 11, that the arrivals of domestic wheat for Shanghai mills continue to be liberal and somewhat larger than anticipated early in the season. He believes that local supplies are sufficient to keep the mills operating until in January or February. Prices are too low for the sale of American wheat in the Shanghai markets. Stocks of flour are reported to be large and the flour market is steady but not very active. The demand from North China is only fair, the Nanking Government having embargoed exports of flour to the port of Darien, presumably to prevent flour supplies from reaching the Russians in Siberia. Commissioner Nyhus has previously reported large stocks of flour at Tientsin. These reports indicate a weak market in the Orient during the next few months. The domestic supplies of wheat and the present stocks of flour, however, will not last through the season and the Orient probably will be in the market again for considerable quantities of wheat in the latter half of the season, but will not take as much as in the past season.

WHEAT, INCLUDING FLOUR: Net exports from principal exporting countries, years beginning July 1, 1924-25 to 1929-30

Country from which exported	:1924-25	:1925-26	:1926-27	:1927-28	:1928-29: prel.	Preliminary estimate 1929-30
	:Million bushels	:Million bushels	:Million bushels	:Million bushels	:Million bushels	:Million bushels
United States ...	255	92	206	191	142	225-275
Canada	194	320	305	305	422	250-275
Russia	0	27	49	5	a/ b/	0- 5
British India ...	45	7	9	13	b/- 22	0- 5
Hungary	15	19	21	22	20	10- 15
Rumania	4	8	9	8	2	10- 15
Bulgaria	b/c/ -2	4	2	2	d/ (1)	0- 2
Yugoslavia	9	12	10	1	8	20- 35
Algeria	b/ -1	5	b/ -1	5	4	5- 10
Argentina	125	100	138	178	216	150-175
Australia	124	77	97	73	112	60- 78
Total all coun. listed ..	768	671	845	803	905	730-890

a/ Less than .01 million bushels. b/ Net imports. c/ Year ended July 31.
d/ Rough approximation.

WHEAT, INCLUDING FLOUR: Net imports into European importing countries, years beginning July 1, 1924-25 to 1928-29

Country	:1924-25	:1925-26	:1926-27	:1927-28	:1928-29: prel.	Prel. est. 12 months 1929-30
	:Million bushels	:Million bushels	:Million bushels	:Million bushels	:Million bushels	:Million bushels
United Kingdom ..	216	188	217	211	204	210-225
Italy	96	64	87	87	91	55- 70
Germany	71	56	94	92	58	80- 90
France	41	34	53	54	51	10- 20
Belgium	39	39	40	42	42	42- 45
Netherlands	26	27	28	31	29	30- 33
Czechoslovakia ..	23	19	21	21	17	13- 17
Greece	22	a/ 19	20	b/ (19)	b/ (22)	20- 24
Irish Free State:	19	18	19	19	18	18- 19
Austria	16	15	17	16	b/ (14)	14- 17
Switzerland	14	14	17	18	15	16- 18
Sweden	11	6	6	9	8	7- 9
Norway	5	6	6	7	9	7- 9
Denmark	6	6	7	10	17	8- 12
Finland	4	5	5	6	5	5- 7
Poland	14	c/ 2	7	8	4	3- 9
Spain	c/ -1	1	1	4	15	5- 7
Estonia	1	1	1	1	b/ (1)	1- 1
Latvia	2	2	2	2	b/ (3)	1- 3
Total above						
Eur. coun.	625	522	648	657	633	545-635

a/ Year ended July 31. b/ Rough approximation. c/ Net export.

Prices

Wheat prices declined in August. The average price of all classes and grades at six markets in the United States declined from 135 cents per bushel the week ending August 2 to 124 cents per bushel in the following week, rose to 128 cents and then declined again toward the end of the month. Chicago futures dropped from 147 cents on August 1 to 131 cents on August 22 and then turned upward. There were similar price changes in foreign markets. September futures at Buenos Aires were 131 cents per bushel on August 1 and 115 cents on August 29. October futures at Liverpool dropped from 135 cents on August 1 to 140 cents on August 29. The present depression in wheat prices in world markets generally is due to heavy marketings of new wheat in the United States, continued large exports from Argentina and early harvests in many countries.

In the United States large stocks of old wheat on hand, early harvests and the prompt marketing of new wheat have resulted in congested terminals. Heavy marketings and scarcity of storage space have resulted in very low prices for spot cash wheat. For example, on September 10 No. 2 hard winter wheat at Chicago was quoted at 129 cents per bushel. On the same date September futures closed at 133-3/4 cents and May futures at 150-1/8 cents per bushel. This wide spread between cash wheat and futures is undoubtedly due to a surplus of new wheat to meet immediate demands, while the higher prices for futures indicate an expectation of higher prices later in the season.

The expected reduction in the world supplies of wheat on the average would raise world market price levels 40 to 45 cents over the average prices realized in the past season. This would indicate that the average prices paid for British parcels, for example, would be increased from 128 to 170 cents per bushel. Increases in the prices at other markets would depend upon the relation of the conditions in the markets to the British market. The supply and price situation in this season to date is quite similar to the conditions in 1924. It now seems likely that the course of prices for the remainder of the season may be somewhat similar to that of 1924-25 marketing season. It is not to be expected that prices will follow exactly the same course. The rise during the next few months may not be quite as rapid as in 1924. Should the Southern Hemisphere crop turn out to be larger than now expected, prices may not reach as high a level as in the winter of 1924-25 and the course of prices in the latter part of the season will depend upon prospects for the 1930 crop.

WHEAT: Closing prices of July and September futures

Date	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires
	1928	1929	1928	1929	1928	1929
	Cents	Cents	Cents	Cents	Cents	Cents
July futures						
July 3:	136:	120:	123:	113:	136:	122:
11:	131:	122:	125:	116:	132:	125:
September futures						
18:	128:	146:	120:	140:	126:	148:c/127:c/164:c/146:c/156:
25:	124:	146:	116:	140:	121:	149:c/121:c/168:c/138:c/152:
Aug 1:	120:	147:	112:	141:	117:	149:c/121:c/171:c/138:c/155:
8:	113:	135:	105:	130:	110:	136:c/114:c/154:c/134:c/144:
15:	113:	135:	106:	131:	111:	137:c/113:c/157:c/130:c/144:
22:	112:	131:	105:	126:	110:	133:c/114:c/154:c/130:c/140:
29:	110:	132:	103:	127:	109:	134:c/111:c/154:c/131:c/140:c/114:
Sept 5:	110:	132:	103:	127:	108:	134:c/111:c/152:c/130:c/142:c/114:
December futures						
12:	113:	144:	107:	137:	110:	145:
19:	115:	:	109:	:	112:	:
26:	118:	:	112:	:	115:	:
Oct 3:	118:	:	112:	:	114:	:

a/ Prices are of day previous to date of other market prices.

b/ August future.

c/ October future.

WHEAT: Weighted average cash prices at stated markets

Date	All classes and grades	No. 2 hard winter	No. 1 dk.n.spring	No. 2 amber durum	No. 2 red winter	Western white
	six markets	Kansas City	Minneapolis	Minneapolis	St. Louis	Seattle
	1928	1929	1928	1929	1928	1929
	Cents	Cents	Cents	Cents	Cents	Cents
July 5:	137:	115:	136:	113:	153:	137:
12:	132:	119:	128:	117:	149:	141:
19:	129:	134:	126:	130:	146:	159:
26:	122:	133:	118:	129:	138:	155:
Aug 2:	118:	135:	114:	131:	141:	156:
9:	108:	124:	105:	121:	127:	139:
16:	108:	125:	105:	124:	125:	139:
23:	108:	128:	104:	122:	123:	141:
30:	110:	123:	106:	120:	122:	134:
Sept 6:	110:	128:	106:	125:	125:	137:
13:	107:	:	105:	:	123:	:
20:	108:	:	107:	:	126:	:
27:	111:	:	110:	:	130:	:
:	:	:	:	:	:	:

a/ Weekly average of daily cash quotations, basis No. 1 sacked 30 days delivery.

PROTEIN PREMIUMS

The hard wheats of the United States, as well as Canada, have a high percentage of protein this year. Inspections at Kansas City for the week ended September 6 averaged 12.92 per cent protein and at Omaha, 12.55 per cent. These percentages are higher than last year. Bozeman, Montana reports that 1,573 samples of spring wheat tested to August 31 averaged 15.7 per cent and 1,010 cars at Grand Forks, North Dakota averaged 14.3 per cent. Thus, it is evident that the protein content of the hard winter wheats is moderately high, while the protein content of spring wheat in North Dakota and Montana is higher than the average of any recent year. Tests made in Kansas in 1926 averaged 14.3 per cent and in 1924, 12 per cent. The tests in Montana in 1926 averaged 14.05 per cent and in North Dakota, 13.20 per cent. In 1926 protein premiums declined to a low level in November and remained low until in the latter part of the season.

Premiums paid for protein in wheat have declined rapidly both at Minneapolis and Kansas City since wheat from this year's crop began to arrive at terminal markets, until at the present time premiums are being paid only for wheat running quite high in protein. At Minneapolis, heavy-weight wheat testing lower in protein seems to be in greater demand at present than higher protein wheat that is light in weight. The following table shows how average premiums over nearest future closing prices have been running on No. 1 dark northern spring at Minneapolis:

Date	: 12 per cent : protein : Cents	: 13 per cent : protein : Cents	: 14 per cent : protein : Cents	: 15 per cent : protein : Cents
July 1 ...	: 4.0	: 13.0	: 25.0	:
8 ...	: 4.0	: 12.5	: 22.0	:
15 ...	: 4.0	: 12.5	: 21.0	:
22 <u>a/</u> ...	: 1.5	: 8.0	: 14.0	:
29 ...	: -0.5	: 6.5	: 12.5	:
Aug 5 ...	: -1.0	: 4.0	: 8.0	:
12 ...	: -1.5	: 3.0	: 5.0	:
19 ...	: -2.5	: 1.5	: 4.0	: 8.0
26 ...	: -5.0	: -1.0	: 1.0	: 2.0
Sept 3 ...	: -3.0	: -0.5	: 1.5	: 2.5
7 ...	:	: 0.0	: 1.5	: 2.5

a/ Over September futures.

Protein premiums at Kansas City have declined greatly also and are very small at present. This is shown in the following table on premiums paid since July 1, 1929, for No. 2 hard winter wheat of 12.25 to 12.45 and 12.75 to 12.95 per cent protein over the price of 11.25 to 11.45 per cent protein.

Week ended	12.25 to 12.45 per	12.75 to 12.95
	cent protein	per cent protein
	<u>Cents</u>	<u>Cents</u>
July 6	4.2	7.0
13	4.3	8.4
20	2.0	6.5
27	1.9	5.3
Aug 3	1.4	3.8
10	1.5	2.6
17	1.6	3.9
24	1.4	2.0
31	0.8	1.5
Sept 7	0.8	--

In the past few seasons for which we have data low premiums early in the season have been followed by some improvement or higher premiums in the last few months of the season. Since the spring wheat crop is relatively short it seems likely that supplies will be reduced toward the end of the year and high protein wheats may be sufficiently in demand to bring relatively good premiums.

The Continental European wheat situation during August 1929 a/

Business on the Continental European wheat markets in August was considerably smaller than in July when important activity was registered practically everywhere. Prices declined in sympathy with overseas quotations. Considerable export sales of wheat took place in the Danubian export markets, the bulk of which was sold down the Danube to western Europe. This export business remained active even at times of extreme dullness elsewhere. The trade thinks that the main influence in the price decline on the Continent through August, despite continuance of unfavorable crop reports from important overseas producing regions, was the world stocks situation and the pressure of the North American winter wheat crop. The first few days in September there was an increase in turnover in central and western Europe, while the Danube export markets were quiet.

Sales of flour were also restricted and prices declined. Stocks of old crop wheat in the Danubian surplus countries have been greatly reduced through heavy shipments in recent weeks. In central Europe they are also rather low, while France still has about one months supplies on hand on September 1.

a/ By Acting Agricultural Commissioner Owen L. Dawson, Berlin, Germany, August 29, 1929.

Rye prices also declined and business was not large. Offerings of new crop rye in central Europe became heavy during August and depressed the market considerably. In Germany the Getreidehandels-Gesellschaft a/ had to make stock purchases of rye to prevent further price declines. Prospects for the European rye crop are still very good and contribute to the weakness of the rye positions. The same is true of the somewhat important old crop stocks in central Europe.

European buyers of feed grains were also rather reserved during August, following the good July business. Despite reports from the United States, where both corn and barley crops are considerably below last year, prices weakened generally, due to the stocks of corn in Argentina, prospects for a good corn crop in south-eastern Europe, and heavy Danube shipments of barley where production this year is very much above last year. The market tendency for oats was also weak. Offerings of new crop barley and oats in central Europe were already considerable.

Reports on the outturn of the wheat harvest in Continental Europe mostly confirm those available at the end of July, except for France where opinions, though still divided as to the extent of a crop increase over 1928, now seem to agree on the statement that 1929 wheat production is considerably above 1928. However, as France is by far the largest wheat producer on the continent, the change in the estimate for France makes it probable that the Continent as a whole harvested quantities more nearly approaching those of last year than was thought earlier in the season. Nevertheless the crop will be about 3 per cent below 1928, chiefly owing to the heavy decrease in the Danube Basin which amounts to about 70,000,000 bushels of wheat. These 70,000,000 bushels will more than offset any possible increase of the French wheat crop over last year. Regarding other countries, it should be noted that increases in the Italian, Spanish, Portuguese and Polish wheat crops are nearly offset by decreases in the remaining continental deficit countries of France.

These estimates show that the wheat crop on the Continent will be about 3 per cent below 1928, or about 6 per cent above the average 1926/28. As to the distribution of the crop it is important to note that, while the surplus regions crop is about 20 per cent below 1928, the deficit countries have a crop of about 3 per cent more than last year. This distribution is somewhat favorable to increased consumption.

a/ The Getreidehandels-Gesellschaft is a government supported organization with the aim of intervening on the German grain market if the price situation becomes critical. It was founded in 1926 when the rye crisis 1925/26 urgently demanded some relief. The administration of this organization, which presents itself as a company dealing in grain, consists of representatives of semi-official agricultural organizations and other groups concerned with grain production, trade and consumption.

The quality of the wheat crop is not definitely known as yet, but it is believed that it will not be much below the satisfactory outturn last year. The crops of Rumania and Hungary are officially reported to be of good quality or about the same as last year. Also rye is thought to be quite good, and as far as quality is concerned there will be no inducement to farmers to feed bread grains to any unusual extent. Feeding of bread grains last year was quite important as a result of the low bread grain prices compared with the price of feedstuffs; this is chiefly true for rye, the price of which became more and more unfavorable compared with wheat, as the season advanced. As far as prices are concerned there will also be some inducement to feed rye this year, in view of the large spread between wheat and rye prices, the latter being now below the quotations at the same time last year and below the average for 1928/29, while wheat is considerably above.

Under present circumstances on the domestic grain market Russia will be out of consideration for exporting wheat this year.

Germany

The wheat market in Germany held up well until the end of July but since then has continually weakened with a very quiet tone prevailing throughout August. Flour mills have bought only limited quantities for current needs. During the first part of July imports of wheat were large, which resulted in increased stocks but which did not reach a high level. Domestic offers were not large until about August 20 when deliveries increased. The decline in German prices of spot wheat from \$1.72 per bushel on August 1 to \$1.53 on August 26 or near the 1928 level was quite in sympathy with the decreased price movement in the United States except for the temporary rise in United States wheat prices in mid-August. The effect of late reports showing a wheat supply in Germany materially below last year will at least be a steadying factor on the market which declined in September of last year.

Prices for rye have also experienced a considerable decline since the beginning of August. The price for domestic rye in Berlin was \$1.16 per bushel per metric ton on August 26 as compared with \$1.24 per bushel on August 1 and about \$1.27 per bushel at the end of August 1928. Offers of domestic rye have increased considerably recently and prices would have decreased more had not the Getreidehandels-Gesellschaft bought considerable quantities to stabilize the price level. The outlook for rye prices remains rather unfavorable owing to the large stocks from the old crop, a large new crop in Germany and a record crop in Poland. The comparatively low price level will be a strong inducement for feeding rye.

The following table shows the development of domestic wheat and rye prices:

GERMANY: Price per bushel of domestic wheat and rye, 1929

Date of quotation	Wheat of at least 58.7 pounds per bushel			Rye of at least 55 pounds per bushel	
	Hamburg <u>a/</u>	Breslau <u>a/</u>	Berlin <u>b/</u>	Berlin <u>b/</u>	
	Cents	Cents	Cents	Cents	
July 17	182	163	169	123	
July 24	181	162	167	116	
July 31	182	166	171	121	
Aug 7	178	163	166	118	
Aug 14	180	159	160	114	
Aug 21	174	158	157	117	
Aug 28	165	152	147	111	
Sept 4	165			119	
Sept 11	160			114	

a/ Wheat of any German district.

b/ "Maerkischer" grain.

PRICES OF DOMESTIC WHEAT AND RYE IN GERMANY

Cents per bushel

	<u>July 17</u>	<u>July 24</u>	<u>July 31</u>	<u>Aug 7</u>	<u>Aug 14</u>	<u>Aug 21</u>	<u>Aug 28</u>	<u>Sept 4</u>	<u>Sept 11</u>
Hamburg, Wheat	182	181	182	178	180	174	165	165	160
Breslau, Wheat	163	162	166	163	159	158	152		
Berlin, Wheat	169	167	171	166	160	157	147		
Berlin, Rye	123	116	121	118	114	117	111	119	114

Wheat imports in July were very large, amounting to 16,002,000 bushels, compared with 6,913,000 bushels in June 1929 and 7,680,000 bushels in July 1928. This heavy importation took place chiefly at the beginning of July before the raise in wheat duties became effective on July 10. August imports are expected to be somewhat smaller than in July. Stocks of the trade and the flour mills have probably increased as a consequence of the large July imports, but are not unusually large as is indicated by the visible stock figures for Berlin. The imports of rye in July were also comparatively large, amounting to 1,640,000 bushels in July 1929, compared with 398,000 bushels in June 1929 and 1,832,000 in July 1928.

Farm deliveries were not especially large during the period under review, but recently increased for both wheat and rye. Farm stocks of old rye are still reported to be large.

According to the official preliminary crop estimate as of beginning July the production of winter wheat will amount to 109,000,000 bushels compared with the final estimate of 127,000,000 bushels in 1928. The corresponding figures for winter rye are 312,000,000 bushels and 331,000,000 bushels. The official Prussian figures as of beginning of August indicate that the July estimate has not changed materially. The publication of the August figures for the whole of Germany is expected in the near future.

France

Since the beginning of August wheat prices have declined under the pressure of favorable domestic crop reports and large farm offers. The trade and flour mills generally showed a reluctance to make extensive commitments. Marketings by farmers, however, are soon expected to show some slackening as the larger part of the crop has been threshed. Reports on the wheat crop show a wide range but it is now generally conceded as one of the best since the war. This upward revision in the estimates has only been warranted during the past month as there were many uncertain reports early in July. The official report on the French wheat crop of around 320,000,000 bushels just issued should be regarded as a minimum. Our opinion that the crop is somewhat higher than this and near the figure for the 1925 crop is based on an extensive review of the wide range of reports and on recent personal investigation. Apparently the amount of grain was much greater than usual according to the straw and this resulted in a considerably better outturn than earlier expected. The crop is only average in the southeast and east, but elsewhere is generally above average, particularly in the center and northwest. The weather has been very favorable to harvesting the crop and the quality compares well with the quality of last year.

Stocks on hand are regarded by the trade as sufficient for about one month's consumption. On the whole it appears that this year's supply is near the amount required for domestic consumption but there is still a need for overseas wheat for mixing, although requirements are much reduced below last year. Although the country will be a net importer of wheat, from the present indications on the supply situation some of the domestic wheat will be available for export. It seems unlikely, however, that any large amount will find an outlet and as a result a larger amount of wheat will be consumed at home or carried over into the next crop year.

Italy

In Italy this year's wheat crop is now estimated at about 245,000,000 bushels as compared with 228,596,000 bushels last year. The market has been rather independent from price fluctuations in the world market. Imported wheat has been of comparatively small importance the past month as domestic wheat was offered in large quantities. The above estimate may be somewhat high according to earlier reports on the crop but it appears that the new crop will exceed last year's outturn. The corn crop is also better which is a factor of some importance in holding down import requirements of wheat.

Holland and Belgium

Wheat markets in Holland and Belgium have been quiet throughout August and transactions much smaller than in the preceding month. There was but a limited demand from domestic flour mills and almost no demand from German buyers. Port stocks which were very small in July owing to large German purchases of spot grain have again tended to increase. The wheat crop will be considerably smaller than last year in both countries.

Poland

The wheat market in Poland during the past month remained relatively resistant in spite of some slight price declines. Stocks from the old crop are very small and marketings of the new crop have not yet attained large proportions. The rye market remained depressed with inland demand restricted and poor prospects for export business.

According to a recent official crop estimate the wheat and rye crop will turn out larger than last year and much larger than the average for the last five years. It is to be noted that the crop in the adjacent territories of Germany and Czechoslovakia are smaller than last year which throws some doubt on the high estimate of the Polish crop.

Danube Basin

The Danubian surplus countries as well as the Viennese trade registered a rather active export business for Hungarian and Yugoslavian new crop wheat. Most of the sales were done with western and northern Europe while central European deficit countries were reserved. Export business was particularly active during the first half of the month. Price declines were less marked than elsewhere, and prices for Danube wheat compared very favorably with competing oversea qualities. Reports from Yugoslavia indicated that the sales had been so numerous recently that much of the new crop appears already to be sold, and old crop stocks have been greatly reduced through recent shipments. Hungary indicates considerable pressure of heavy marketings of wheat by the farmers who are forced to sell their crop early in order to meet various obligations.

The combined Hungarian, Yugoslavian, Rumanian and Bulgarian wheat crops this year will about equal the five year average 1924/28, but this means a production of fully 70,000,000 bushels of wheat smaller than last year. Austria and Czechoslovakia will also have wheat crops somewhat below last year.

Production of corn and barley, however, will be far larger than last year in the surplus countries of the Danube Basin. As a result of recent rains the prospect for an unusually good corn crop continues. Barley production in Rumania is nearly twice as large as last year. The trade expects considerable business in feed grains this year with western Europe.

Soviet Russia

This year's procurings of all grains through August have been well above last year, but the procuring of bread grains is less satisfactory, and total bread grain collections for the three months, July to September, may not reach the government plan for that period,

As to the actual outturn of the 1929 crop, reports have been rather vague up to the present, the predominant note being that the gross crop of all grains is somewhat larger than in 1928, when the crop was placed at 73.3 million tons. An early August report indicated that the crop is thought to be about 8 to 9 per cent above that of the previous year, but this figure was not confirmed by other statements and seems somewhat too high, particularly in the face of the recently mentioned deterioration of the crop in the eastern regions, which is probably not offset by improvement in the south.

On the basis of the latest statement of the Chairman of Commissariat of Trade of USSR, it seems that the Russian crop of all grains will be not more than 5 per cent above that of 1928 and is more likely to be only 2 to 3 per cent above. Reports of bread grain production alone are less favorable than those for all grains, so it seems that the situation with respect to bread grains is less favorable, particularly in the face of the yearly increasing population and the necessity to refill Government grain reserves and build new ones.

**WHEAT: Production in specified countries, average 1909-1913,
annual 1926-1929**

Countries reported in 1928	Average 1909- 1913	1926	1927	1928	1929, prel.
	1,000	1,000	1,000	1,000	1,000
NORTH AMERICA	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
Canada	197,119:	407,136:	479,665:	566,726:	293,792
United States	690,108:	851,040:	878,374:	902,191:	785,726
Mexico	a/ 11,481:	10,333:	11,890:	11,031:	11,492
Total (3)	898,708:	1,268,509:	1,369,929:	1,479,948:	1,091,010
England and Wales ..	55,770:	48,683:	53,125:	47,264:	41,813
Netherlands	4,976:	5,487:	6,157:	7,336:	3,487
Belgium	15,199:	12,801:	16,277:	17,986:	15,995
Luxemburg	615:	622:	702:	713:	533
France	325,644:	251,767:	276,126:	261,285:	319,851
Spain	130,446:	146,599:	144,825:	119,884:	139,793
Italy	184,393:	220,644:	195,809:	228,596:	245,000
Switzerland	3,314:	4,244:	4,119:	4,270:b/	5,791
Germany	131,274:	95,429:	120,522:	141,593:	115,558
Austria, winter ....c/	12,815:	9,001:	11,469:	12,419:	11,559
Czechoslovakia	37,879:	34,130:	40,385:	51,499:	48,060
Hungary	71,495:	74,909:	76,933:	99,211:	70,698
Yugoslavia	62,024:	71,427:	56,568:	103,294:	96,929
Greece	d/ 16,275:	12,403:	12,970:	15,675:	16,800
Bulgaria	37,823:	36,544:	42,121:	50,691:	37,432
Rumania	a/ 158,672:	110,883:	96,734:	115,544:	91,858
Poland	63,675:	52,490:	61,093:	59,219:	60,259
Lithuania	3,264:	4,180:	5,273:	6,327:	6,283
Finland	137:	924:	1,064:	998:	1,036
Malta	196:	310:	294:	289:	293
Total (20)	1,315,880:	1,173,477:	1,222,568:	1,364,094:	1,329,028
AFRICA					
Morocco	(17,000):	16,174:	24,618:	24,746:	28,623
Algeria	35,161:	23,551:	28,323:	30,302:	34,024
Tunis	6,224:	13,044:	8,267:	12,125:	12,125
Total (3)	58,385:	52,769:	61,208:	67,173:	74,772
ASIA					
India	351,841:	324,651:	334,992:	288,811:	317,595
Syria and Lebanon ..	(4,000)	13,940:	14,582:	6,490:	11,133
Japan	25,088:	30,188:	31,018:	30,812:	31,101
Chosen	6,398:	10,517:	9,043:	8,595:	9,963
Total (4)	387,827:	379,296:	389,635:	334,708:	369,792
Total above coun- tries (30)	2,660,800:	2,854,051:	3,043,340:	3,245,923:	2,864,602
Est. world total, excl. Russia and China	3,401,000:	3,420,000:	3,653,000:	3,900,000:	3,400,000

Figures in parenthesis indicate the number of countries included.

a/ Four-year average. b/ Probably includes spelt and maslin. c/ Total.

d/ One year only.

WHEAT, INCLUDING FLOUR: Shipments from principal exporting countries

Commodity	: Total shipments,:		Shipments,			: Net movement from July		
	: or exports :		: week ending :			: as far as reported :		
	: 1927- :	: 1928 :	: Aug. :	: Aug. :	: Sept. :	: To & in- :	: 1928- :	: 1929- :
	: 28 :	: 29 a/ :	: 24 :	: 31 :	: 7 :	: including :	: 29 :	: 30 :
	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :	: Data :	: 1,000 :	: 1,000 :
	: bushels :	: bushels :	: bushels :	: bushels :	: bushels :		: bushels :	: bushels :
Canada :	:	:	:	:	:	:	:	:
Shipments, 4 :	:	:	:	:	:	:	:	:
markets b/ :	: 333,335 :	: 458,649 :	: 1,567 :	: 1,780 :	: 1,940 :	: Sept. 7 :	: 77,485 :	: 27,937 :
United States :	: 206,259 :	: 163,670 :	: 5,372 :	: 5,958 :	: 3,309 :	: Sept. 7 :	: 23,737 :	: 36,913 :
Argentina :	: 176,135 :	: 215,729 :	: 6,924 :	: 5,696 :	: 5,106 :	: Sept. 7 :	: 17,182 :	: 47,046 :
Australia :	: 72,962 :	: 112,054 :	: 1,352 :	: 800 :	: 1,704 :	: Sept. 7 :	: 11,204 :	: 12,508 :
Russia :	: 5,408 :	: 8 :	: 0 :	: 0 :	: 0 :	: Sept. 7 :	: 8 :	: 0 :
Danube & Bul. c/ :	: 32,847 :	: 31,000 :	: 160 :	: 184 :	: 120 :	: Sept. 7 :	: 216 :	: 1,080 :
British India ., :	: 14,328 :	: d/-22,367 :	: 24 :	: 192 :	: 0 :	: Sept. 7 :	: 1,040 :	: 354 :
Total :	: 843,274 :	: 958,743 :	: 15,419 :	: 14,610 :	: 12,179 :		: 130,872 :	: 125,836 :
	: :	: :	: :	: :	: :		: :	: :

Compiled from official and trade sources.

a/ Preliminary.

b/ Shipments from Ft. William Port Arthur, Vancouver and Prince Rupert.

c/ Includes Hungary, Yugoslavia, Rumania and Bulgaria.

d/ Net imports.

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FOREIGN NEWS ON WHEAT

WORLD WHEAT CROP AND MARKET PROSPECTS
To October 16, 1929

The world wheat situation and outlook in October have not changed materially from what they were in September. The world's crop still appears likely to be about 500 million bushels less than last year and, including carryover, the world's supply seems likely to be about 360 million bushels less than last year.

An outstanding feature of the present situation is the large accumulation of stocks in important central markets. The world's visible supply is probably the largest on record. This is due to a large carryover of old wheat at the beginning of the marketing season, early harvests in many areas and the prompt marketing of crops.

The world trade has not fallen far behind that of corresponding months in other years. Shipments from principal exporting countries from July 1 to October 5 have been only about 20 million bushels behind shipments of the corresponding date last year when they were large. Last year Canada held large stocks and, facing the harvest of a record crop, shipped over 100 million bushels in the three months. Canadian shipments to date have been less than half those of the corresponding period last year, but increases in shipments from Argentina and the Balkan countries have made up for a large

part of the reduction in Canadian shipments. Argentina has shipped 40 million bushels and the Balkan countries 4 million bushels more than last year, while Australia and the United States have been shipping about the same quantities as last year.

Conditions in many of the European wheat markets appear to be similar to conditions in the markets of the United States. Domestic wheat has been marketed early and in large volume. The European surplus producing countries which have smaller crops this year have exported to date considerably more than in the corresponding period of last year. Heavy marketings have depressed domestic prices in many of the importing countries, particularly Italy, France and Germany. France is considering measures for improving the domestic market situation. Germany has increased the requirements as to the proportion of domestic to foreign wheats milled in that country in October. These conditions have reduced the demand for foreign grain and heavier shipments of Danube grain to northern ports, together with large supplies from Argentina, have built up large stocks at ports.

The early marketing of domestic grain in Europe, however, will make way for the using of larger quantities of imported grain in the latter part of the marketing season. The distribution of the wheat crop in Europe is such as to encourage the consumption of wheat. Low domestic prices in many of the countries which have large crops will encourage consumption, and most of these countries will import wheat for mixing, even if they should have a surplus of domestic wheat. Even though the European wheat crop is nearly as large as last year and the corn crop is considerably larger, it seems likely that the deficit countries will import at higher

prices nearly as much wheat as they imported last year.

The large world visible supply, together with congestion at many terminal markets, not only tends to hold down prices in general but also to depress prices of spots and the near futures in relation to the distant futures. A fairly wide spread exists between spot and May prices in all the principal markets of the world. It seems likely that as soon as the rate of the movement of wheat from the farm to terminal markets falls short of the rate of movement from these markets or the consumption of grain the price of spot wheat will rise in relation to the price of the more distant futures.

The visible supply in the United States is now increasing at a very slow rate. It seems probable that the movement of old wheat from Argentina will soon slacken and that exports from the Northern Hemisphere will increase. A slackening of marketings in the United States and Canada, together with an increase in shipments, will relieve congestions at our principal markets and raise the cash prices of wheat. This may also be the signal for a general advance in prices. Large world stocks, however, may prevent or delay any marked advance for some time. It still seems likely, however, that for the season world market prices will be 35 to 40 cents per bushel over the average of the past season when British parcels prices averaged 129 cents per bushel. Prices in the United States to date have averaged about the same as in the 1924-25 season, but owing to the present depression the average for the entire season may not quite equal the average for that season.

World Production and Crop Conditions

Forecasts and estimates in 31 countries to date indicate a production of 2,893,000,000 bushels, 372 million bushels less than last year when these countries produced 83 per cent of the world's crop outside of Russia and China. Weather conditions to date seem to indicate a yield of about 11 bushels per acre in Argentina, which upon the acreage reported planted would result in a crop of about 215 million bushels compared with 307 millions, the estimated production of last year. Weather conditions in Australia reported to date indicate a crop of about 125 million bushels, compared with 160 millions produced last year. The total of these two Southern Hemisphere crops amounts to 340 million bushels, a reduction of 127 million bushels. Our correspondent indicates a smaller crop in Australia, and some trade reports suggest a smaller figure for Argentina. The outturn of the crop is still subject to weather conditions and may be somewhat more or less than indicated above. It seems likely, however, that world production, outside of Russia and China, for the season will be about 500 million bushels short of last year.

Table 1.- WHEAT: World supply, price and disappearance

Year	Production					
	United States	Canada	Argentina	Australia	Europe ^{a/}	All other ^{b/}
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1923-24	797	474	248	125	1,257	650
1924-25	864	262	191	165	1,058	610
1925-26	676	395	191	115	1,337	667
1926-27	831	407	221	161	1,210	596
1927-28	878	430	249	118	1,268	678
1928-29	902	567	307	160	1,409	555
1929-30 ^{c/}	732	294	d/ (215)	(125)	1,384	590
	World production ^{b/}	Shipments from Russia	Stocks accounted for July 1	Total supply	Total disappearance	Average price per bushel British parcels
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Cents
1923-24	3,551	21	305	3,877	3,528	121
1924-25	3,150	1	349	3,500	3,209	179
1925-26	3,441	27	291	3,759	3,485	170
1926-27	3,426	49	274	3,749	3,402	164
1927-28	3,661	5	347	4,013	3,592	154
1928-29	3,900	0	421	4,321	3,764	129
1929-30	3,400	0	557	3,957		

^{a/} Excludes Russia

^{b/} Excludes Russia and China.

^{c/} Preliminary.

^{d/} Average yield 1919-1928 applied to 1929-30 acreage.

Prices

Cash wheat prices declined in the latter half of September under the pressure of heavy marketings, large stocks in the United States and Canada and heavy shipments of old wheat from Argentina. The weighted average cash price for all classes and grades at six United States markets declined from the middle of September into the first week of October. All classes shared in the decline. The spring wheats, however, declined most and the price of soft red winter wheat less than that of any of the other classes.

Prices in foreign markets also have been depressed by early and heavy marketings. Mr. Dawson reports that the German crop movement has been heavy which has prevented large takings of overseas supplies. The effect of the heavy marketings in Germany, as in the United States, has been to depress spot prices and the near futures in comparison with the distant futures. The spot price of domestic wheat at Berlin declined from 153 September 4 to 144 on September 25. In France prices improved slightly but at the end of the month were still below import parity. World prices generally improved somewhat in the early part of October, but this improvement was followed by some recession in the middle of the month.

The course of prices in the past month has departed somewhat from the course of prices in the 1924-25 season. Reviewing the season to date, however, it will be observed that the rise from the beginning of June to the first of August was generally greater than in the 1924-25 season. The rise in the first half of September corresponded to a similar rise in September of 1924, but in that season it continued until in the second week of October after which there was a decline through October. The decline in the latter half of September probably anticipates the decline which in 1924 came in October. This shift is probably due to differences in the distribution of supplies. The larger European crop and large supplies of old wheat in Argentina have prevented the rise, which began in September, from continuing into October. North European markets, however, will have to have wheat, and Argentine shipments can not continue indefinitely at the rate of 5 and 6 million bushels per week.

Table 2.- WHEAT: Closing price of September and December futures

September futures													
Date	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires	a/						
	1928	1929	1928	1929	1928	1929	1928	1929	1928	1929	1928	1929	
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	
Aug 29:	110:	132:	103:	127:	109:	b/134:	b/111:	b/154:	b/131:	b/140:	114:	115	
Sept 5:	110:	132:	103:	127:	108:	b/134:	b/111:	b/152:	b/130:	b/142:	114:	120	
December futures													
	12:	113:	144:	107:	137:	110:	145:	110:	158:	129:	b/149:	b/110:	122
	19:	115:	139:	109:	133:	112:	140:	118:	151:	131:	b/144:	b/110:	118
	26:	118:	137:	112:	131:	115:	141:	116:	148:	135:	b/138:	b/113:	113
Oct 3:	118:	133:	112:	123:	114:	137:	118:	142:	136:	b/138:	b/113:	c/114	
	10:	117:	135:	111:	130:	113:	137:	118:	148:	135:	141:	117:	c/126
	17:	115:	130:	110:	125:	111:	133:	118:	144:	136:	136:	117:	c/122
	24:	113:	:	107:	:	109:	:	117:	:	134:	:	116:	
	:	:	:	:	:	:	:	:	:	:	:	:	
a/	Prices are of day previous to other prices.												
b/	October futures.												
c/	February futures.												

a/ Prices are of day previous to other prices.

b/ October futures.

c/ February futures.

Table 3.- WHEAT: Weighted average cash price at stated markets

All classes: No. 2 : No. 1 : No. 2 : No. 2 : Western												
Week	and grades:	hard winter:	Dk.n.spring:	Amber.durum:	red winter:	white						
ended	six markets:	Kansas City:	Minneapolis:	Minneapolis:	St. Louis:	Seattle a/						
	1928	1929	1928	1929	1928	1929	1928	1929	1928	1929	1928	1929
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Aug 23:	108	128	104	122	123	141	109	131	127	134	112	123
30:	110	123	106	120	122	134	109	127	144	130	115	125
Sept 6:	110	128	106	125	125	137	104	132	147	133	113	126
13:	107	130	105	126	123	140	104	131	143	137	115	126
20:	108	128	107	125	126	138	107	127	145	134	116	123
27:	111	125	110	123	130	133	109	121	143	135	117	120
Oct 4:	107	126	110	124	125	135	109	127	145	133	113	121
11:	109	128	111	125	124	137	113	131	149	136	120	122
18:	105		109		121		108		147		120	

a/ Weekly average of daily cash quotations basis No. 1 sacked 30 days delivery.

The Effect of the Wheat Storage Situation on Cash Prices
in the United States

The congestion of grain in terminal elevators during the past three months has had a distinctly adverse effect upon cash wheat prices in the United States and appears to have had a less serious but nevertheless a definitely adverse effect upon the price of wheat futures. Since about the middle of July there has been insufficient storage space at terminal markets to adequately take care of incoming receipts in some of the terminal markets. As movement of wheat from the Southwest hard winter wheat area is the earliest of any part of the United States, the congestion first appeared at markets to which this area is tributary. Elevators at Galveston, Kansas City, and various interior terminal markets were filled up to their capacity by the end of July or early in August. The congestion moved northward along with the harvest of wheat. At Chicago available space appears to have been well filled by the latter part of August, and at Minneapolis and Duluth by early September.

The causes of the terminal elevator congestion may be said to be four in number. They are the heavy carryover of old crop wheat, the early harvest of the new crop, rapid marketing of the new crop, and finally the slow export movement. The unusual storage situation at the outset of the new season is indicated by the very large visible supply of grain in the United States on July 1. Visible supplies of wheat, corn, oats, rye, and barley, including both domestic grain and bonded stocks of foreign grain were much larger than ever before. According to the Chicago Board of Trade statement, the total for the five grains on June 29, this year, was 152,485,000 bushels against 76,689,000 on June 30, 1928, and an average of 80,793,200 bushels on the Saturday nearest July 1 for the five years 1923 to 1927. The visible supply of wheat alone was 111,596,000 bushels on June 29 of this year, compared with 53,039,000 bushels a year ago and 29,472,800 for the five year average.

In addition to the larger supply, stocks of wheat on farms, stocks in the hands of country mills and elevators, and "commercial" mill stocks were much larger than usual. Stocks of wheat on farms July 1, 1929, were estimated at 44,741,000 bushels against 23,729,000 the previous year and an average of 28,887,200 bushels for the five years 1923 to 1927. Stocks in country mills and elevators were estimated at 40,136,000 July 1, this year, against 19,227,000 on July 1, 1928, and an average of 15,030,700 for the five years 1923 to 1927. Stocks in merchant mills and elevators are estimated at 48,279,000 July 1, 1929, against 31,920,000 the year before and an average of 29,009,750 bushels for the four years 1925 to 1928.

The earliness of harvest was of importance primarily in the spring wheat area where the movement of new crop grain in volume began several weeks earlier than usual. The rapid marketing throughout the entire Wheat Belt was largely due to very favorable weather conditions but was also influenced by the increased use of combines, and in some cases by the fear of declining prices.

The over crowding of terminal facilities might have been avoided had there been a strong export demand for our wheat during the past two months. However, despite the prospect of a relatively short world crop of wheat for

the year as a whole, supplies in world markets are nevertheless more than plentiful for the present. Argentina has been shipping large quantities as a result of the large crop which they harvested in the winter of 1928-29. Furthermore, the new crop of Europe has been large, and this combined with the excellent quality of the new crop and heavy shipments from southeastern Europe has resulted in postponing the time when Europe will require foreign wheat in large quantities.

Despite the serious congestion of terminal elevator facilities, it is significant to note that total supplies of wheat in the United States this year are only very slightly above what they were a year ago. In 1928 a crop of 902 million bushels, together with stocks on July 1 of 123 million bushels, provided a total supply not including imports which entered the country during the year of 1,030 million bushels. This year the preliminary estimate of the crop is 792 million bushels, and the crop added to the stocks on July 1 of 245 million bushels makes a total of 1,037 million bushels, a supply only 7 million bushels greater than that of last year.

To the close of September exports had been approximately the same as those during the corresponding period of 1928 and indications are that mill grindings have been somewhat larger. Hence at the present time total supplies of United States grown wheat appear to be almost precisely the same as a year ago. Supplies of Canadian wheat in the United States are above the levels of a year ago by approximately 10 million bushels. With commercial stocks of domestic wheat in the United States now 70 million bushels above their level of a year ago, it is evident that a greater part of the total supply must now be in terminal storage than was the case a year ago, and consequently less wheat is being stored on farms and in country elevators combined than was the case a year ago.

Just when the storage situation will clear up so that cash wheat will be bought freely against sales for future delivery is somewhat uncertain. In 1924 United States exports of wheat as grain amounted to 4 million bushels in July, 17 million in August, and 33 million in September, and reached a peak of 45 million in October. This year exports were 8 million in July, 12 million in August, and from unofficial returns appear to have been about 10 million in September. It appears that the peak of exports will not be reached until later in the season than was the case in 1924, with an increase in volume occurring by November, and the peak perhaps in November or December. It appears without doubt that exports of the United States during the remainder of the season will be much above their levels of last year, but even if they should not be greater than last year, some easing of the storage situation should occur shortly. With smaller supplies at country points than was the case a year ago, and with mills grinding close to 50 million bushels of wheat per month at the present time, stocks of wheat at terminal markets may be expected to halt their increase shortly and to begin a decline within the next two months. Consequently, some improvement in the cash grain situation seems likely to occur during November or during December at the latest.

E.J.W.

Report of stocks of all grain at principal markets as of
October 12, 1929

Domestic wheat in store and afloat as reported for markets in the United States increased only 1,360 million bushels in the week ending October 12. There was no change in stocks at Kansas City during the week, both public and private elevators being practically full. At Chicago there was a decrease in public elevators that was more than offset by an increase in private, making the total slightly greater than on October 5. There was a small increase in stocks at Minneapolis in both public and private elevators, the total of which amounted to 36,000 bushels. At Duluth there was a slight increase. At both Minneapolis and Duluth a small amount of additional storage space has been made available for temporary use, the total of which amounted to about one million bushels. Chicago had the only large space available for storage and it was all in private elevators. Receipts of wheat were slightly large at Chicago, Minneapolis and Kansas City than during the previous week. At Duluth there was a decrease from three to two million bushels which more than offset the increases of the other three markets.

C.E.C.

Domestic wheat in store and afloat at United States
markets, July 6 - October 12, 1929

Week ended	In store	Increase over previous week
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
1929		
July 6	93,364	2,922
13	98,763	5,399
20	104,990	6,227
27	116,149	11,159
Aug 3	135,813	19,664
10	156,297	20,484
17	171,508	15,211
24	179,015	7,507
31	186,051	7,036
Sept 7	187,991	1,940
14	192,046	4,055
21	195,025	2,979
28	197,443	2,418
Oct 5	199,157	1,714
12 <u>a/</u> ...	200,517	1,360

Compiled from Commercial Grain Stocks in Store in Principal United States Markets, as reported to the market news Service of the Bureau of Agricultural Economics.

a/ Preliminary.

Production and exports of United States wheat by classes

The October 1 preliminary estimates of wheat indicate a total production of 792 million bushels as compared with the bumper crop of 901 million bushels last year. While this estimate is nearly 20 million bushels higher than the low estimate of the year the crop is still the smallest one produced since 1925. The smaller crop this year is due to a poor spring wheat crop as total winter wheat production was only ten million bushels smaller than in 1928. All classes of wheat except hard red spring and soft red winter are likely to be on an export basis. The soft red winter crop is estimated to be 190 million bushels. This is a much larger crop than was produced last year and slightly larger than two years before but materially less than the 1926 crop, so that supplies of this class of wheat should not be burdensome. The hard red spring production at 136 million bushels is the smallest since 1926 but this deficiency in production will be made up in part by large stocks of old wheat. Durum wheat production is greatly reduced from that of last year also, but is above domestic requirements. Exports during 1928, however, appear to be the largest since 1922. The hard red winter crop is estimated to be 54 million bushels less than in 1928, but with a very large production in that year and a big decrease in exports for the 1928 crop year, there is a generous supply of this class of wheat on hand. The crop of white wheat this year is only slightly smaller than last year and exports from the 1928 supply were comparatively small.

Exports of wheat by classes

Total exports of wheat during the crop year 1928-29 were only 71 per cent of the previous year's exports although the 1928 crop was 24 million bushels larger than the 1927 crop. Of the 103 million bushels total, 45 million bushels were durum, 38 million bushels were hard red winter, 15 million bushels were white, three million bushels were soft red winter, and two million bushels were hard red spring. This decline in exports was made at the expense of all classes except durum which increased around 14 million bushels over the previous year or almost as much as the increase in production of durum. The exports of other classes of wheat decreased materially not only in quantity but in percentage of total exports. The table below shows the percentage which the quantity of each class of wheat is of total exports for the crop years 1927 and 1928:

Class	1927 <u>Per cent</u>	1928 <u>Per cent</u>
Hard red spring	4	2
Durum	21	43
Hard red winter	45	37
Soft red winter	9	3
White	21	15

The exports of hard red winter at 38 million bushels were 27 million bushels smaller than the year before and together with a big increase in production largely accounted for the increase in the carryover of July 1 as compared with the previous year's carryover.

Table 5.- WHEAT: Production and exports by classes, 1920-1928

Production ^{a/}						
Year beginning July	Hard red spring	Durum	Hard red winter	Soft red winter	White	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1920	140	52	302	247	91	835
1921	131	57	290	237	99	815
1922	170	31	280	248	79	868
1923	127	55	241	272	102	797
1924	132	66	365	189	52	864
1925	156	65	206	170	80	676
1926	121	48	360	229	73	831
1927	202	83	317	181	95	878
1928	135	93	384	139	86	902
1929	136	57	330	190	79	792

Exports ^{b/}						
Year	Hard red spring	Durum	Hard red winter	Soft red winter	White	Total
1920 ^{c/}	18	32	163	59	21	293
1921 ^{c/}	25	26	100	29	28	208
1922 ^{c/}	14	43	61	23	14	155
1923	2	19	27	11	20	79
1924	21	34	121	8	11	195
1925	5	27	10	2	13	63
1926	2	22	73	31	28	156
1927	6	31	65	14	30	146
1928	2	45	38	3	15	103

^{a/} Estimates of production by classes are based on surveys made in 1920, 1923, and 1924 of the percentage of different varieties of wheat grown, supplemented by investigations and judgment of cereal specialists. All estimates are the result of applying percentages for each State to the production of each State as estimated by the Division of Crop Estimates save that durum estimates of four States are used directly. As there are changes from year to year in the relative amounts of the varieties of wheat grown and also changes in the relative yields per acre, these figures should be considered to be only rough approximations.

^{b/} Total as reported by the Department of Commerce. Distribution by classes made on basis of United States inspections for export by ports and inspections of United States wheat in the Eastern Division of Canada.

^{c/} Estimates of exports of wheat by classes prior to 1923 are not as accurate as for later years due to the large amounts and composition of mixed wheat.

Table 6.- WHEAT: Weighted average cash price per bushel of
representative wheats at stated markets
1920-1928

Year	No. 1	No. 2	No. 2	No. 2
beginning	Dk.no. spring	Amber durum	Hard winter	Red winter
July	Minneapolis	Minneapolis	Kansas City	St. Louis
	Cents	Cents	Cents	Cents
1920	201	199	183	213
1921	148	119	120	127
1922	126	107	113	121
1923	124	106	105	107
1924	158	156	135	159
1925	165	144	163	169
1926	151	155	135	138
1927	141	132	135	149
1928	126	113	112	139

Protein in the United States crop

Protein premiums of both winter and spring wheats continue low. Samples tested continue to show a high percentage of protein in Montana wheats. A report on tests made September 28 gives an average of 15.7 per cent in 7,734 samples of spring wheat, and of 13.49 per cent in 3,324 samples of winter wheat. These tests indicate that the 1929 wheat crop of Montana is as high in protein as the crop of 1925 when the crop of Montana averaged 14.25 per cent. The protein content of the hard winter wheats continues to run about as reported a month ago, averaging above 12 per cent.

The quality of the Canadian crop

The following report upon the quality of the Canadian crop will be of interest. We quote from a preliminary report of the chief chemist for the board of grain commissioners, Dr. F. J. Birchard:

"Milling and baking tests conducted on the 1929-30 crop in the Dominion Grain Research laboratory of the board of grain commissioners, Winnipeg, indicate that, on the whole, the milling yield is inferior, but the baking quality, grade for grade, is fully equal to, if not superior to, that of last year. The results are based on the standard samples as approved by the Grain Standards board on September 24, and the average samples to date as secured from the office of the chief inspector.

"Owing to the very satisfactory conditions under which the present crop was harvested, the effect of frost and immaturity is not a serious consideration, as was found to be the case last year; practically all the wheat is sound and mature, but each grade contains an increasing number of small undeveloped kernels, and consequently the weight per measured bushel would appear to be the chief factor in determining the grade.

"Of the total number of cars of hard red spring wheat inspected to date, four per cent graded No. one hard, forty-nine per cent one northern, thirty-nine per cent two northern, six per cent three northern, and less than one per cent of the total number of cars inspected graded numbers four, five and six.

"It may be noted here that No. 1 hard wheat has not been examined for several years, but this season forms a good portion of the crop, while Nos. 4, 5 and 6 wheat, which predominated last year, are practically non-existent in the inspection to date.

"Special attention should be called to the following:

"1. The moisture content is low, as was also the case last year. The average moisture content of all grades examined to date is about 12.0 per cent. To date, only about 25 per cent is tough (over 14.04 per cent moisture), and practically no damp (over 17 per cent moisture) has appeared on the market.

"2. The weight per bushel of each grade is decidedly lower than that of last year, in which case it was particularly high. It is also lower than that of the past three years"

The report gives tables which include the following data concerning weight per measured bushel of the Canadian crops for 1926 to 1929.

Table 7.

Weight per measured bushel of Canadian wheat crops, 1926 to 1929

Crop and class	Weight per bushel as received	
	Imperial bushel	Winchester bushel
	(Canadian)	(United States)
	Pounds	Pounds
Crop 1926		
Averages for crop year:		
Grade:		
No. 1 northern	65.0	63.0
No. 2 northern	63.0	61.0
No. 3 northern	62.0	60.0
Crop 1927		
Averages for crop year:		
Grade:		
No. 1 northern	64.5	62.5
No. 2 northern	63.0	61.0
No. 3 northern	62.0	60.0
Crop 1928		
Averages for crop year:		
Grade:		
No. 1 northern	64.5	62.5
No. 2 northern	64.5	62.5
No. 3 northern	63.5	61.5
Crop 1929		
Standard samples: <u>a/</u>		
No. 1 northern	61.5	59.6
No. 2 northern	60.5	58.6
No. 3 northern	60.5	58.6
Winnipeg averages to Sept. 21, 1929: <u>a/</u>		
No. 1 northern	64.0	62.0
No. 2 northern	62.5	60.6
No. 3 northern	62.5	60.6
<u>a/</u> No. 1 hard, 1929 only:		
Standard samples	64.0	62.0
Winnipeg averages to Sept. 21, 1929	66.5	64.4

Quoting further from the report:

"In accordance with the lower weight per bushel the yield of straight grade flour is reduced in each grade, being approximately one per cent lower in the case of average one northern, one and one-half per cent in the case of average two northern, and one per cent in the case of average three northern. The weight per bushel of average No. 1 hard is two and one-half pounds heavier than that of average No. 1 northern of last year, while the yield of straight grade flour from these two grades is practically the same.

"Since an insufficient number of samples of the lower grades was available, no satisfactory data could be obtained as regards these grades.

"3. The protein content of the averages of the grades and of the corresponding straight grade flour is higher in each case, than was found last year. It is also considerably higher than the average of the last three years. It should also be noted that the protein content of nearly 40 per cent of the crop examined is between 15 and 17 per cent, while last year not more than two per cent contained this amount. The maximum protein in any sample tested last year was 16 per cent, while this year a number of samples tested between 18 and 19 per cent. It would appear from test conducted to date that the quality of the protein is somewhat inferior to that of last year, but it is considered advisable to make further tests before making any definite statement in this regard.

"4. The absorption of the flour of each grade is distinctly less than that of last year, the difference amounting to between two and three per cent in each grade.

"5. The baking quality of the straight grade flour from each grade, when baked by itself, is superior to that of last year, as indicated by the increased loaf volume, greater oven spring and better texture. In this connection, it should be particularly noted that the baking quality of average No. 1 hard is superior to that of average No. 1 northern. In the standard samples, the difference is not significant. Two northern is practically equal to one northern as regards baking quality, while three northern is inferior, although still superior to that of the same grade of last year.

"In general, while it would appear that the baking quality of the standard samples is rather better than that of the averages examined to date, it should be noticed that the yield of straight grade flour from the standards is $1\frac{1}{2}$ to 2 per cent less than that obtained from the averages.

"6. The color of both the flour and the bread is very similar to that of last year, although that of two northern and three northern, is slightly more yellow. It is believed that this somewhat increased yellow color is due to the presence of a larger proportion of Garnet wheat than was found in these grades last year."

World market conditions

Net exports from countries for which data are available, July 1 to October 5, total 165 million bushels, or 13 million bushels in excess of last year. This total, however, does not include exports from Canada in September. Shipments from Canada, four markets, added to the exports from other countries, total 182 million bushels, 19 millions less than in the corresponding period of the past season. The most significant changes between the two seasons are in Canada and Argentina, the former having shipped 63 million bushels less and the latter 40 million more than in the corresponding period of the past season. It is of interest to note that with a larger crop than last year India is importing a small amount of wheat. Russia produces no evidence of an exportable surplus. The Balkan countries, however, with small crops are shipping more than they shipped in the early months of the past season.

Turning to conditions in foreign markets it will be noted that European importing countries began taking about the same quantity and, in some cases, somewhat more than in the corresponding periods of the past season. Imports in August and September, however, seem to have been less than in those months of the past season. Agricultural Commissioner Dawson reports dullness in European markets. He says that the flour mills as well as the trade are cautious in making advance purchases; the domestic crop movement is heavy and has reduced the takings of overseas supplies. Consul Kemper reports from Tokyo that the condition of the milling industry in Japan is unsatisfactory at the present time, due to general business depression and a decline in the export demand for flour. Commissioner Nyhus reports that the Shanghai flour market is weak and that the movement of flour at Tientsin is slow as stocks are unusually large and the prices of foreign flour are relatively so high as to discourage the making of new contracts. Consul Langdon at Dairen, on the other hand, reports the prospects for marketing American flour in his territory to be very favorable at the present time. The foreign market outlook, however, is not so discouraging as indicated by these current reports. As indicated above, the markets are depressed by heavy marketings of domestic wheat and a large world visible supply. Gradually the domestic wheats will be absorbed and the takings of foreign wheats will increase.

Table 8 - WHEAT INCLUDING FLOUR: Net exports from principal exporting countries, years beginning July 1, 1924 - 1929

Country from which exported	: 1924- 25	: 1925- 26	: 1926- 27	: 1927- 28	: 1928- 29	: Prel.: est. : 1929- 30	: Net exports reported July : 1 to	: 1928- 29	: 1929- 30
	: Mill bush	: Mill bush	: Mill bush	: Mill bush	: Mill bush	: Mill bush	: Mill bush	: Mill bush	: Mill bush
United States	: 255	: 92	: 206	: 191	: 142	: 200-250:Oct 5:	: 47	: 46	
Canada	: 194	: 320	: 305	: 305	: 422	: 225-260:Aug 31:	: 65	: 34	
Russia	: 0	: 27	: 49	: 5	: 0	: 0:Oct 5:	: 0	: 0	
British India	: 45	: 8	: 10	: 13	: a/-22	: 0:Oct 5:	: 2	: 1	
Hungary	: 15	: 19	: 21	: 22	: 24	: 20-24:Oct 5:	: 2	: 2	
Rumania	: 4	: 8	: 11	: 7	: 2	: 10-15:	: -	: -	
Bulgaria	: a/b/-2	: 4	: 2	: 2	: 1	: 0:	: -	: -	
Yugoslavia	: 9	: 12	: 10	: 1	: 8	: 10-20:	: -	: -	
Algeria	: a/ -1	: 5	: a/ -1	: 5	: 4	: 0- 5:July31:	: a/ -2	: c/	
Argentina	: 125	: 100	: 138	: 178	: 218	: 150-175:Oct 5:	: 26	: 66	
Australia	: 124	: 77	: 97	: 73	: 113	: 65-60:Oct 5:	: 12	: 16	
Total	: 768	: 672	: 848	: 802	: 912	: 660-629:	: 152	: 165	
a/ Net imports.	b/ Year ended December 31.					c/ Less than 500,000 bushels.			

Table 9 - WHEAT INCLUDING FLOUR: Net imports from principal exporting countries, years beginning July 1, 1924 - 1929

Country	: 1924- 25	: 1925- 26	: 1926- 27	: 1927- 28	: 1928- 29	: Prel.: est. : 1929- 30	: Net imports reported July : 1 to	: 1928- 29	: 1929- 30
	: Mill bush	: Mill bush	: Mill bush	: Mill bush	: Mill bush	: Mill bush	: Mill bush	: Mill bush	: Mill bush
United Kingdom	: 216	: 186	: 217	: 211	: 204	: a/	: Aug 31:	: 36	: 35
Italy	: 96	: 64	: 87	: 87	: 82	:	: Aug 31:	: 14	: 6
Germany	: 71	: 56	: 94	: 92	: 68	:	: Aug 31:	: 14	: 21
France	: 41	: 34	: 53	: 54	: 51	:	: July 31:	: 3	: 6
Belgium	: 39	: 39	: 40	: 42	: 41	:	: July 31:	: 3	: 4
Netherlands	: 26	: 27	: 28	: 31	: 29	:	: Aug 31:	: 4	: 5
Czechoslovakia	: 23	: 19	: 21	: 21	: 17	:	: July 31:	: 1	: 1
Greece	: 23	: 18	: 20	: 19	: 22	:	: July 31:	: 2	: 2
Irish Free State	: 19	: 16	: 19	: 19	: 18	:	: July 31:	: 1	: 2
Austria	: 16	: 15	: 17	: 16	: 14	:	:	: -	: -
Switzerland	: 14	: 14	: 17	: 18	: 15	:	: Aug 31:	: 3	: 5
Sweden	: 11	: 6	: 6	: 9	: 8	:	: Aug 31:	: 1	: 2
Norway	: 5	: 6	: 6	: 7	: 9	:	: July 31:	: c/	: 1
Denmark	: 6	: 6	: 7	: 10	: 17	:	: July 31:	: 1	: 1
Finland	: 4	: 5	: 5	: 5	: 6	:	: July 31:	: c/	: 1
Poland	: 7	: b/ -2	: 7	: 8	: 4	:	: July 31:	: 1	: c/
Spain	: b/ -1	: 1	: 1	: 4	: 15	:	:	: -	: -
Estonia	: 1	: 1	: 1	: 1	: 1	:	: July 31:	: c/	: c/
Latvia	: 2	: 2	: 2	: 2	: 3	:	:	: -	: -
Total	: 619	: 517	: 648	: 656	: 624	:	:	: 84	: 92

a/ See the September issue, page 11.
500, 000 bushels.

b/ Net exports.

c/ Less than

Shanghai wheat market conditions

A decided decline in the milling industry in Shanghai is expected by January first, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from Agricultural Commissioner P. O. Nyhus at Shanghai. The present stocks of wheat at mills vary from one to three months supply but arrivals are falling off sharply and millers are doubtful of their ability to buy foreign wheat to supplement the small arrivals of native wheat. Native wheat for October delivery is quoted at \$1.09 per bushel while American wheat, western red No. 2 for November and December shipment is quoted at \$1.33 per bushel which is above the price at which contracts can profitably be made. Canadian No. 5 is quoted higher than American western red No. 2. The local flour market is weak due to the slow demand from Tientsin and to the somewhat large stocks that are being held locally. Vice Consul Paschall at Tientsin reported that the movement of flour at Tientsin is slow as stocks there are unusually large and prices of foreign flour are too high to enable new contracts to be made.

The flour market at Dairen

Consul Langdon at Dairen reports that prospects for marketing American flour on the Dairen market are very favorable at the present time according to a cable to the Foreign Service of the Bureau of Agricultural Economics from Agricultural Commissioner P. O. Nyhus at Shanghai. Considerable business has already been done in American flour in South Manchuria and an even larger volume is expected to be done during the next few months as American flour is quoted lower than Shanghai, Japanese or Canadian flour. The Nanking government placed an embargo on the export of Shanghai flour to Dairen but this embargo is of little importance at the present time as the price margin is in favor of American flour. The military authorities in North Manchuria have placed an embargo on wheat and flour shipments to Changchun, the junction point of the Japanese South Manchurian Railway and the Eastern Chinese Railway, which is controlled by the Chinese authorities. The embargo is also in effect on shipments to points further south in Central Manchuria and to the eastern and western Russian frontiers. The measure which is designated to provide an adequate and cheap source of grain to feed the troops in Northern Manchuria, confirms the reports of a good wheat crop in that region. The embargo widens the field of distribution for imports at Dairen as it cuts off the wheat supplies from the north to a few mills in Southern Manchuria and eliminates the competition of the Harbin flour mills.

The Continental European wheat market situation during September 1929 a/

European business in overseas wheat during September was restricted as in August while activity in Continental wheat was considerable, according to O. L. Dawson, Acting Agricultural Commissioner at Berlin. The large amount of surplus wheat already disposed of this season by Danubian countries is a significant point in the Continental wheat situation. A larger proportion of these shipments than usual went to western and northern Europe. This rapid movement of the Danubian surplus is apparent from the figures on

a/ By Acting Agricultural Commissioner Owen L. Dawson, Berlin, Germany, September 30, 1929. Supplemented by cable October 11, 1929.

shipments. Danube shipments of wheat and wheat flour from the first of July through October are reported 4,960,000 bushels as compared with 792,000 bushels in the corresponding period of the past season. This heavy movement added to the declining price tendency of spot wheat in the principal import markets which have been well supplied this season with offers of domestic European wheat. Observers, indeed, are inclined to think that domestic offerings for the Continent as a whole this season are more pressing, and the crop movements considerably faster than usual. This is also indicated by the congestion in Continental ports despite the moderate receipts from overseas which are much below the last two seasons.

Overseas shipments to Continental ports have been considerably less than a year ago. A number of arriving lots were transferred to the United Kingdom, total shipments to which were very heavy.

Stocks in the trade have accumulated while farm stocks are expected to show, at least in important surplus regions, heavier declines than usual. Such distribution of stocks is significant for later market developments as the portion of stocks in hands of producers has less influence upon spot prices than have the quantities in trade channels.

Thus, the market situation presents the following picture: Consumptive purchases of the flour mills are moderate and the flour mills as well as the trade are cautious in making advance purchases. On the other hand, the domestic crop movement is heavy and has prevented larger takings from overseas supplies. The pressure on spot prices therefore is considerable. December quotations in Germany declined insignificantly through September, while spots decreased considerably. However, the more exclusively the Continent depends on domestic supplies early in the season, the earlier will it be forced into dependence on overseas sources. The market outlook for forward months, from the standpoint of market technique, is therefore decidedly better than the present spot situation. This idea is borne out as the prevalent market opinion by the fact that spots sold at a considerable and steadily increasing discount below Decembers in important deficit markets.

Rye prices in central Europe declined also considerably and offerings of the farmers have been pressing. In Germany the Getreidehandelsgesellschaft continued to make stock purchases and support the market.

Purchases of feed grains continued rather small up to about the middle of September when the market became more active for practically all kinds of feed grains. Good demand was then reported, particularly from Denmark and Germany, for Danubian barley. German oats of good quality was sold to Holland, England and the Scandinavian countries and business improved also for Argentine oats offered at cheap prices. Demand for corn remained limited, with good prospects for the southeastern crop maintained. The corn crop in these countries, as well as in Italy, will be somewhat reduced in quantity, because of the drought, but will be of good quality and available for export earlier than usual. Prices of feed grains weakened during the first half of September, with a sustained tone following the revival of demand. Fodder crops on the Continent were seriously curtailed through the period of drought and heat in August and early September, which will be an important factor in the future demand for feed grains. The upward movement in hog numbers will also have significance later in the season.

The following is our estimate of the Continental wheat crop in 1929:
 Table 10- WHEAT: Production in European countries, average 1924-1928,
 annual 1927-1929

Country	Average 1924-1928	1927	1928	Estimate as of Sept 29, 1929
	: 1,000 bush	: 1,000 bush	: 1,000 bush	: 1,000 bush
Germany	112,991	120,522	141,593	115,584
Italy	211,208	195,809	228,596	a/ (246,180)
France	280,140	276,128	b/ (286,600)	c/ (334,364)
Belgium	14,910	16,277	17,986	15,995
Netherlands	5,853	6,157	7,336	d/ 3,437
Czechoslovakia	39,512	40,385	51,499	48,060
Switzerland	3,352	4,119	4,270	e/ 5,791
Greece	11,481	12,970	13,085	13,981
Austria	10,695	11,960	12,915	11,912
Denmark	9,200	9,408	12,214	(10,268)
Poland	50,165	54,230	59,219	60,259
Sweden	13,460	15,835	19,155	(19,474)
Norway	594	605	798	(661)
Finland	941	1,064	998	1,036
Latvia	2,094	2,636	2,499	(2,499)
Estonia	859	1,079	1,037	(1,057)
Spain	139,136	144,825	119,884	139,793
Portugal	10,121	11,447	7,546	(9,186)
Total 18 deficit countries	917,212	925,456	987,230	1,039,587
Hungary	74,859	76,933	99,211	f/ (77,161)
Yugoslavia	73,541	56,568	103,294	96,966
Rumania	99,664	96,734	115,544	g/ (88,184)
Bulgaria	39,083	42,121	50,691	33,142
Total 4 surplus countries	287,147	272,356	368,740	295,453
Deficit countries	917,212	925,456	987,230	1,049,587
Surplus countries	287,147	272,356	368,740	295,453
Grand total	1,204,359	1,197,812	1,355,970	1,355,040

Figures in parenthesis are estimates made by Agricultural Commissioner Dawson.

a/ Unofficial, latest official estimate 259,628,000 bushels.

b/ Unofficial. The official estimate of 281,285,000 is regarded as too low.

c/ Unofficial. The official estimate is 319,863,000 bushels.

d/ Official estimate but is regarded as too low.

e/ Include meslin and spelt.

f/ Unofficial. The latest official estimate is 71,207,000 bushels.

Preliminary official generally tend toward a downward bias.

g/ Unofficial. The official estimate is 91,858,000 bushels. Mr. Dawson believes the acreage to be overestimated.

According to these figures the Continental wheat crop will be 1.5 per cent below 1928 or about 10.9 per cent above the average 1924-28. It is

important to note that, while the wheat crop in the surplus regions is about 20 per cent below 1928, the deficit countries have a crop of about 5.3 per cent more than last year. This distribution is somewhat favorable to increased consumption. It is probable the net wheat deficit of the Continent of Europe (22 countries) will be between 65,000,000 bushels below and 9,000,000 bushels above the 1928-29 season deficit.

Germany

The wheat market in Germany during September was characterized by reluctance in buying foreign as well as domestic wheat, but takings of the latter improved recently. The movement of the new crop assumed quite heavy proportions which resulted in a decline of prices. Transactions in flour were small as purchases were only to cover current needs. The demand is expected to become more active as soon as the pressure resulting from the new crop movement shall have lessened. The rather heavy accumulation of foreign wheat the last part of June and early July has also been a factor in the depressed tone of the market but this is now passing with decreased exports of the past weeks.

Spot prices of wheat which showed a slight increase toward the end of August have declined since the beginning of September. The present spot price of wheat in Berlin is but slightly above the corresponding price of last year. The weakness in the German wheat market for spots throughout September was in general more pronounced than in overseas. On the other hand the decrease in futures was less pronounced than in spots.

The rye situation is regarded as very unfavorable with another good crop and considerable stocks remaining from the old crop. Rye prices have continued to decline throughout September after a temporary firmness toward the end of August. Rye offers have been large and urgent, and only limited quantities have been absorbed. The spot price of rye was \$1.09 per bushel in Berlin on September 25, as compared with \$1.17 on August 24, 1929, and about \$1.27 in the second half of September 1928. The decline of rye prices would probably have been much larger had not the Getreide-Handelsgesellschaft - a Government supported company - bought large quantities to prevent a further decline of prices. December prices of rye are also considerably higher than spot prices. Rye prices are now about on the level of feed grains which will be an inducement toward larger feeding of rye than usual. The price of spot rye in Berlin on September 21 was \$1.08 per bushel, for feed barley (winter barley) \$.90 per bushel and for oats \$.60.

The following table shows the development of domestic wheat and rye spot prices:

Table 11.- GERMANY: Price per bushel of domestic wheat and rye,
August 14 - October 16, 1929

Date	Wheat			Rye	
	Hamburg	Breslau	Berlin	Berlin	
	Cents	Cents	Cents	Cents	
Aug 14	180	159	160	114	
21	174	158	157	117	
28	165	152	147	111	
Sept 4	163	154	153	119	
11	160	150	147	114	
18	159	147	146	111	
25	155	145	144	109	
Oct 2	156	145	145	109	
9	164			112	
16	163			106	

Footnotes on following page.

- a/ Wheat of any German district of at least 58.7 pounds per Winchester bushel.
- b/ Wheat of any German district in carloads 370 bushels of at least 58.7 pounds per Winchester bushel.
- c/ "Markischer" wheat of at least 59 pounds per Winchester bushel.
- d/ "Markischer" rye of at least 56 pounds per Winchester bushel.

Wheat imports in August were comparatively small, amounting to 5,266,000 bushels compared with 16,663,000 bushels in July 1929 and 6,906,000 bushels in August 1928. Exports of wheat in August showed some increase in comparison to July. September figures of wheat arrivals in the sea ports and to the Dutch frontier indicate that during the first part of September imports have continued to decline and were much smaller than last year for the same period. Stock figures in Bremen have increased as a consequence of slow sales to the interior.

In the consuming centers the visible stocks have increased probably somewhat more than is normally the case at this time of the year as a consequence of heavy domestic marketings. The visible stocks in Berlin were 536,000 bushels on August 31, 1929, compared with 359,000 bushels last year. The visible rye stocks in Berlin were 1,250,000 bushels on August 31, 1929, against 207,000 bushels last year. The difference in the visible rye stocks between 1929 and 1928 is especially striking.

The agricultural organizations are asking urgently for new relief measures. There is some possibility that new measures will be taken in the near future as the Federal Minister of Agriculture has given some consideration to these demands. The government has issued an order obligating flour mills to mill 50 per cent domestic wheat during the period October 1 to November 30, 1929. The milling rates for these months had previously stood at 40 per cent. The rates for the remainder of the season remained at 30 per cent. It is also possible that the duty on feed barley will be increased in order to place rye in better competitive position with reference to barley.

Our opinion about the outturn of the grain crop has changed only slightly during September. The estimate of the "Deutscher Landwirtschaftsrat" as of August 15 is somewhat below the official estimate of August 1. It is to be noted, however, that the government's final estimate for last year was considerably higher than that of the Landwirtschaftsrat.

France

The wheat market in France was mostly during September and prices have experienced a slight increase, but are still below the import parity. The firmness of the market was based on a decline of domestic offers rather than on an improved demand. Farm offers which were large during July and August have dropped off considerably.

The following estimates relating to the French wheat crop for 1929 have appeared:

Official estimate	319,863,000 bushels
Destombe	326,779,000 bushels
Sicot (statistician for Bodenheimer & Co.)	361,444,000 bushels
Bulletin des Halles	389,900,000 bushels

It is to be noted that the yield per acre according to Sicot is 29.6 bushels and the Bulletin des Halles 30.6 or but slightly larger. The Bulletin des Halles uses the same area as the Ministry of Agriculture. Mr. Sicot uses a lower acreage than the Ministry of Agriculture as he allows for greater winter kill which appears to be consistent with comments on the crop since early spring. However, the yield used by Sicot is about 22 per cent higher and of the Bulletin des Halles 26 per cent higher than any on record.

It seems difficult to reconcile those reports of phenomenal yields with unfavorable condition reports during the early part of the season. It does appear, however, that the government estimate of 319,863,000 bushels is too low. Making allowance for a higher yield and a somewhat lower acreage we figure a crop of about 334,400,000 bushels.

The outturn of the crop appears to be somewhat above the not disappearance for last season and stocks at the beginning of the season were rather heavy. This supply situation in connection with ~~unsatisfactory~~ prices for farmers has given rise to considerable talk about methods of control by the government.

After a recent cabinet meeting the following press release was given out by the Ministry of interior: a/

"The cabinet has thoroughly examined the wheat situation. It has authorized the Ministers of Finance and Agriculture to introduce in the Chamber of Deputies, immediately upon its re-convening, a bill extending the period of validity of temporary admission permits for wheat from three to six months, and a bill on the transfer of such permits.

The same Ministers have been instructed to prepare a bill providing for "bons d'importation".

The Minister of Agriculture will further circularize local Agricultural Loan Organizations in order that the necessary funds may be placed at the disposition of small farmers who might desire to borrow on their crops.

Finally, the Cabinet, with the end in view of avoiding crises in quotations such as happen from time to time, shall present to Parliament a bill creating a Wheat Office. This public organization shall follow closely all problems relating to wheat production in France and in the world, in order to bring about at an opportune time any measures likely to safeguard national production."

a/ See report of Consul Cochran for September, 1929.

According to American Consul H. Merle Cochran at Paris, this amendment of the regime of temporary admission as indicated above will permit millers to use fully all permits now in hand which often lapse because of their short period of validity. It is also pointed out by Mr. Cochran that this regime guarantees to wheat importers the refund of customs duties on any tonnage reexported either in its original form or after conversion into flour. It is believed that a more simple and liberal enforcement of the temporary admission system would permit millers to export a larger tonnage of flour to meet the demand in foreign markets thus relieving the home market when it happens to be congested.

The "bons d'importation" referred to is similar to the system now existing in Germany which gives the right to import an amount of grain free of customs duty equal to the amount exported. There are various proposals in France as to whether the import certificate should apply only to wheat or other kinds of grain or whether it should even apply to other commodities.

The import certificate plan differs from the temporary admission plan in that, export transaction takes place first and allows the import at a later date if necessary.

The plans for establishing a wheat office to deal with the many problems connected with the large supply this year are much discussed. It is thought that aid to farmers for storing grain for which facilities are very short at present, would be one of the most practicable things such an office could do.

As some quantities of high gluten content foreign wheat will need to be imported for blending purposes, France will endeavor to export wheat but the extent of this movement will depend much upon government action.

Italy

The market for domestic wheat continued in depression owing to large offers and reluctance on the part of buyers. The quotation of Italian wheat remained below the import parity. Nevertheless Italy will have to import considerable quantities of foreign wheat. Some purchases of overseas and Hungarian wheat have already been made during September. According to a speech of the Minister of National Economy the wheat crop amounts to 259,628,000 bushels, but we believe that this estimate is too optimistic and that the actual outturn will be somewhat lower.

Netherlands and Belgium

Wheat markets in Holland and Belgium remained quiet during September and only on few days larger transactions were made. Practically no demand could be noticed from German buyers, and sales were made almost exclusively to Belgian and Dutch flour mills. It is expected that Germany will show a better demand within the near future. Port stocks at Antwerp and Rotterdam have continued to increase. Danube wheat has proved to be a strong competitor against overseas wheat during the past month.

Danube Basin

The surplus producing countries of the Danube Basin reported rather active export business for Hungarian and Yugoslavian wheat during all of September, though the price tendency was varying and somewhat weak on the whole. Also the Viennese produce exchange, important as middleman for Danubian grain business, profited from the activity in Hungary and Yugoslavia, and the turnover was considerable. It is a remarkable feature of this season that a very large proportion of the combined Hungarian and Yugoslavian wheat surplus has been sold already and reports indicate that about two-thirds of the surplus have been shipped out to date. As a further illustration of the unusual rate of movement of the wheat surplus this year it is pointed out that Yugoslavia chartered about 100 steamers for Danube shipments to November 15, compared with a 140 steamers during the whole of a normal season. Of further interest, and as unusual as the above, is the fact that most of the sales of Danubian wheat were effected for shipments down the Danube to Western Europe and partly the Scandinavian countries, while normally much of the surplus is taken by the central European deficit countries and Italy.

Domestic trading in Austria and Czechoslovakia was limited, with prices slightly declining. Offerings were pretty large.

Prospects for the new corn crop in Southeastern Europe remained good, despite continued drought and some resultant reduction in the quantitative outlook. The dry weather appears to have been very beneficial for the quality produced, however, and it is expected that the corn will be dry enough for the export earlier than usual, so it is hoped that considerable quantities can move before winter sets in. Business in Danubian feed grains, corn and barley, was important, particularly to western Europe.

Various farm relief measures are under discussion in Austria also, amongst which the most important are the possible introduction of the import certificate system for grain and cattle, government seed credits to insure the sowing campaign 1929-30, and a grain monopoly. The first two measures are likely to be accepted.

Poland

The Polish wheat market was mostly weak. Harvesting was finished under favorable weather conditions, and the quality is reported satisfactory. Since beginning September large quantities of the new wheat crop have appeared in the market. The rye situation is still less favorable than the wheat situation. Recent reports from Poland state that an increase of the duties on wheat, rye, barley and oats is expected in the near future. The export duties which hindered export business greatly last fall were already abolished this summer.

The second Polish crop estimate as of beginning September is below the first estimate, but remain for wheat, rye and barley slightly above the final estimate of the good crop of 1928.

Soviet RussiaThe Grain Market Situation

Procurements are still greatly above those of the two previous years, having amounted to about 1,900,000 short tons in August compared with 580,000 short tons in August 1928 and 1,090,000 short tons in August 1927. The August procuring plan for all crops - which was fixed at a greatly raised level compared with the previous year - was surpassed by 24.5 per cent. On September 1, procurements of all grains were more than 3 times those of 1928 and almost double those of the preceding year. This seeming success, however, is marred by the fact that the proportion of different crops procured up to now is not favorable, minor grains and feedstuffs predominating, while the most important bread crops, wheat and rye, are coming in less satisfactorily and their pace of procurements is regarded insufficient to guarantee execution of the yearly plan. The share of bread grains in the August procurements was 59 per cent of the total as compared with 72 per cent last year and 94 per cent in 1927. This is all the more important, as the tensivity of the domestic grain market experienced during the whole of last year has greatly reduced stocks of grain in the hands of the Government, and bread grain of the new crop is probably necessary to enable the uninterrupted supplying of the consuming regions and industrial centers with grain and grain products. One of the reasons for unsatisfactory procurements of bread grains is attributed by the Soviet press to the fact that up to now procuring organizations laid too much weight on how much they procured without any, or insufficient, attention paid to what they procured. As a result, peasants being pressed to deliver their surpluses naturally sold the less valuable crops first and kept back the wheat and rye. This assumption is confirmed by recent reports of the press that speculation and private buying of grain has again developed, with purchases concentrating chiefly around wheat. It seems likely that once peasants have seen how desirable a crop wheat is, they will either hold it back hoping for a still larger increase in its value, or sell it on the private market. There is no doubt that the less favorable development of bread grain procurements, is, at least partly, accounted for by the outturn of this year's crop, as both winter-kill and summer drought were adverse factors, probably most detrimental in the case of wheat and rye. Previous assumptions that winter-kill was extensive also in 1928 are now confirmed by a statement just made in the Soviet press that winter-kill during the past two years amounted to over 17,000,000 acres.^{a/}

The development of procurements during the first half of September appears to have been very similar to that of the last part of August, with press complaining that a sufficient increase has not yet taken place over August levels which would enable the realization of the Government's stipulation to finish the 1929/30 procuring campaign by January/February. Statements have been made by the Soviet press that September procurements should be double those of August.

The situation with respect to bread grain procurements has not shown any signs of betterment in September and a high Ukrainian official even stated recently that the share of bread grains in total Ukrainian procurements

^{a/} Data for 1927 winter-kill has now been revised, previous information indicating a winter-kill of somewhat above 15 million acres.

has been showing a steady decline, having amounted to

46 per cent	in September 1-5,
42 per cent	in September 6-10
38.4 " " " "	11-15.

The gross grain crop in 1929 is estimated at 84 million short tons. The 1928 crop was estimated at 86 million tons at the first of October but the last of October was reduced to 82 million tons and was latter reduced to 80 million short tons.

The 1929 Autumn Sowing Campaign

The Autumn sowing campaign, the development of which next to the procuring campaign, is regarded as most vital at present, has begun under rather adverse weather conditions. The prolonged period of drought experienced in many important regions of the Union has delayed sowing by 2 to 3 weeks.

Other factors influencing the outturn of the 1929 Autumn sowing campaign are poor preparation for the campaign by the organs concerned, some shortage of seed, as well as the tendency of rich peasants to reduce their acreage. The Government seems to be reckoning with this tendency as while the total increase of acreage is fixed at 7 per cent, an increase of only 4 per cent is provided for in the case of individual peasants: the remaining increase of 3 per cent is to be achieved by a large increase of the "socialistic sector" of agriculture.

The plan provides for a very significant increase of the winter sown acreage in Ukraine (+ 12 per cent), in accordance with the Government's efforts to offset the unfavorable influence of the two year's winter-kill there. Ukraine is, next to North Caucasus and Crimea, one of the most important winter crop sections of the Union, and has suffered greatly from the winter-kill of the past two years. 1928 winter-kill is now reported to have been very extensive, thus confirming our previous reports to that effect. It is now indicated that over 17 million acres have been winter-killed during each of the past two years ^{a/}, this being about 8 per cent of the total acreage under grain and somewhat less than 20 per cent of the acreage under winter crops alone.

The Australian wheat crop

The 1929 wheat crop of Australia is expected to be below last year according to preliminary studies of the relation of wheat yields to rainfall made in the Foreign Service of the United States Department of Agriculture. Based on current weather conditions the most probable size of crop is about 115 to 135 million bushels compared with 160 million in 1928.

^{a/} Data on the 1927 winter-kill has now been revised, previous information indicating that winter-kill amounted to more than 15 million acres.

The average yield of the four principal producing states is indicated to be about 3.6 bushels to the acre according to reported rainfall conditions through September compared with a 1928 yield of 10.9 bushels and an average of 11.5 bushels in the 17 years 1911 to 1927.

The Australian wheat acreage for this year is officially reported at 14,500,000 acres which is slightly below the 1928 area. A yield of 8.6 bushels to the acre would give a total Australian crop of about 125 million bushels. Allowing some margin for errors of estimate a crop between 115 and 135 million bushels seems probable. October weather may change the outlook somewhat although usually it has not had a close relation to yield.

The indicated reduction in wheat yield this year is based on reduced rainfall during the growing season. During the four months April to July, the plowing, seeding and early growing season, the rainfall was about three-fourths of a 17-year average in the Australian wheat areas. It ranged from a little over half of average in New South Wales, where the greatest acreage is seeded, to slightly above average in western Australia. Complete figures are not available for August and September. Figures for important districts in the wheat growing areas are usually a good indication of the rainfall over the entire areas. For these districts the amount of rainfall in August and September this year was about two-thirds of average. In New South Wales it was nearly up to the average, in Victoria and south Australia it was about two-thirds of the average and in west Australia about half the average.

The yields indicated by these weather conditions are based on separate studies for each of the four important wheat growing States. A rather careful preliminary study was made for south Australia since both temperature and rainfall records were available for a long series of years. According to this study rainfall during August and September showed the closest relation to wheat yields in that State. The rainfall from April to July came next. In both cases the rainfall appeared to have a direct effect on yield, increases in rainfall being accompanied by increased yields. October rainfall also had a slight direct relation to yield. In most years the rainfall before April showed little apparent relationship to yield, nor did the temperature in the maturing period. The nearness of the ocean to the south Australian wheat fields probably explains the absence of any noticeable damage to the crop from heat.

For 1929 the rainfall in the wheat zone of south Australia in the period April-July, lacked nearly a third of reaching the 17-year average. March rainfall was also one of the smallest on record. August-September rainfall in two important districts lacked over a third of the average. Assuming rainfall in these districts to be indicative

of the whole wheat zone, and assuming an average rainfall for October, the yield indicated is about 8.2 bushels to the acre compared with 3.5 bushels in 1928 and an average of 10.9 bushels in the 17 years studied.

Rainfall in the same three periods was used in studies of wheat yield for Victoria and New South Wales. In general the same relationships held true in Victoria as in south Australia, with increased yields usually accompanying increases in rainfall in all three periods. In occasional years, however, the August-September rainfall appears according to this study to have been too heavy for optimum results. The only year in which October rainfall was indicated to have been too heavy for best returns was 1917.

In Victoria greater differences occurred between the calculated and the officially reported yields than in south Australia. Temperature variations may account at least in part for this greater variability in Victoria, although earlier studies had shown no very close relationship between temperature and yields. The wheat region in this State is separated from the coast by a mountain range and thus is probably subject to greater extremes of temperature than south Australia. Unfortunately temperature records are not available for the wheat growing areas of Victoria in recent years.

In 1929 the April-July rainfall in the Victoria wheat zone was about a fourth below average and August-September rainfall in two important districts was less than two-thirds of the average. Assuming average rainfall in October the wheat yield indicated by these weather factors would be about 10.4 bushels to the acre compared with 12.4 bushels in 1928 and a 17-year average of 12.9 bushels.

The wheat zone of New South Wales is also separated from the coast by mountains and in addition is nearer to the equator so it is likely that temperature variations have a greater effect on yield than in Victoria. Recent temperature figures are not available for the wheat region of New South Wales.

This region tends to have heavier rainfall in the planting season and in the maturing season than Victoria and the years of heavy rainfall are associated with somewhat reduced yields.

The current year's rainfall during the planting season was one of the lowest in New South Wales, being not much over half the average amount. July and August, however, were months of nearly normal rainfall, judged by returns for four important districts. Assuming average October rainfall the yield is indicated to be about 8 bushels to the acre compared with 12.2 bushels last year and an average of 11.3 bushels.

Conditions in Western Australia appear to be considerably different than in the other Australian wheat areas. Yields fluctuate much less here than in the other states. According to this study the crop appears rarely or never to suffer from insufficient rainfall in the planting season. Usually rain in that season had little relationship to yields but seasons of unusually heavy rains were accompanied by reduced yields. August-September rains are less frequent than in the other states, and the crop tends to suffer from drought then. Temperatures at Perth were used as indicative of the temperatures in the wheat region. October temperatures were indicated to have an important bearing on the yield, high temperatures being quite generally associated with low yields. September temperatures appeared to be too high in occasional years for best yields and occasionally too low.

In the current year August-September rainfall was less than half the normal. It was the lowest for any of the years studied except 1914 when the yield was only 1.9 bushels to the acre. The yield this year as indicated by the rainfall through September is about 6.8 bushels to the acre compared with 10.1 bushels in 1926 and an average of 9.6 in the 17 years studied. Since October temperature is important in Western Australia, there is a possibility of considerable variation from this indication.

When the figures for the four states are combined some of the errors of estimate tend to average out and the probable amount of error in the calculation of total production for the four states in the 17 years studied was only 6.5 million bushels, with production officially reported ranging from 22.9 million bushels in 1914 to 161.5 million in 1924.

L. T.

Table 12. - Australia: Wheat production 1911-1929

Year	Production in all Australia	Production in New South Wales, Victoria, South Australia and Western Australia		
		As officially reported	Estimated from officially reported acreages and from yields calculated from weather <u>a/</u>	
	Million bushels	Million bushels	Million bushels	
1911-12	71.6	70.7		66.8
1912-13	92.0	89.4		86.3
1913-14	103.3	101.2		108.5
1914-15	24.9	22.9		18.7
1915-16	179.1	177.7		172.9
1916-17	152.4	149.6		151.6
1917-18	114.7	113.4		134.8
1918-19	75.6	75.3		88.4
1919-20	46.0	45.4		51.9
1920-21	145.9	141.6		130.3
1921-22	129.1	125.5		123.6
1922-23	109.5	107.0		107.0
1923-24	125.0	124.4		125.7
1924-25	164.6	161.5		145.4
1925-26	114.5	112.1		101.8
1926-27	160.8	159.9	<u>b/</u>	146.5
1927-28	118.2	113.6	<u>b/</u>	109.6
1928-29	160.5	156.8	<u>c/</u>	---
1929-30	---	---	<u>d/</u>	120.8

Official figures for Australia as a whole are taken from the Quarterly Summary of Australian Statistics. The figures for the four states are taken from the Statistical Registers and Yearbooks of those states and from the Quarterly Summary of Australian Statistics.

a/ Calculated for each state separately from rainfall in the wheat districts as reported by the Pastoral Review. The factors used were rainfall in the periods April-July, August-September, and October, for each state and in the case of Western Australia average monthly temperatures for September and October were used in addition. Results were as follows:

South Australia, $P = .95-$, $\bar{P} = .91+$, $\bar{Se} = 1.4$ bu.

Victoria, $P = .93-$, $\bar{P} = .88+$, $\bar{Se} = 1.9$ bu.

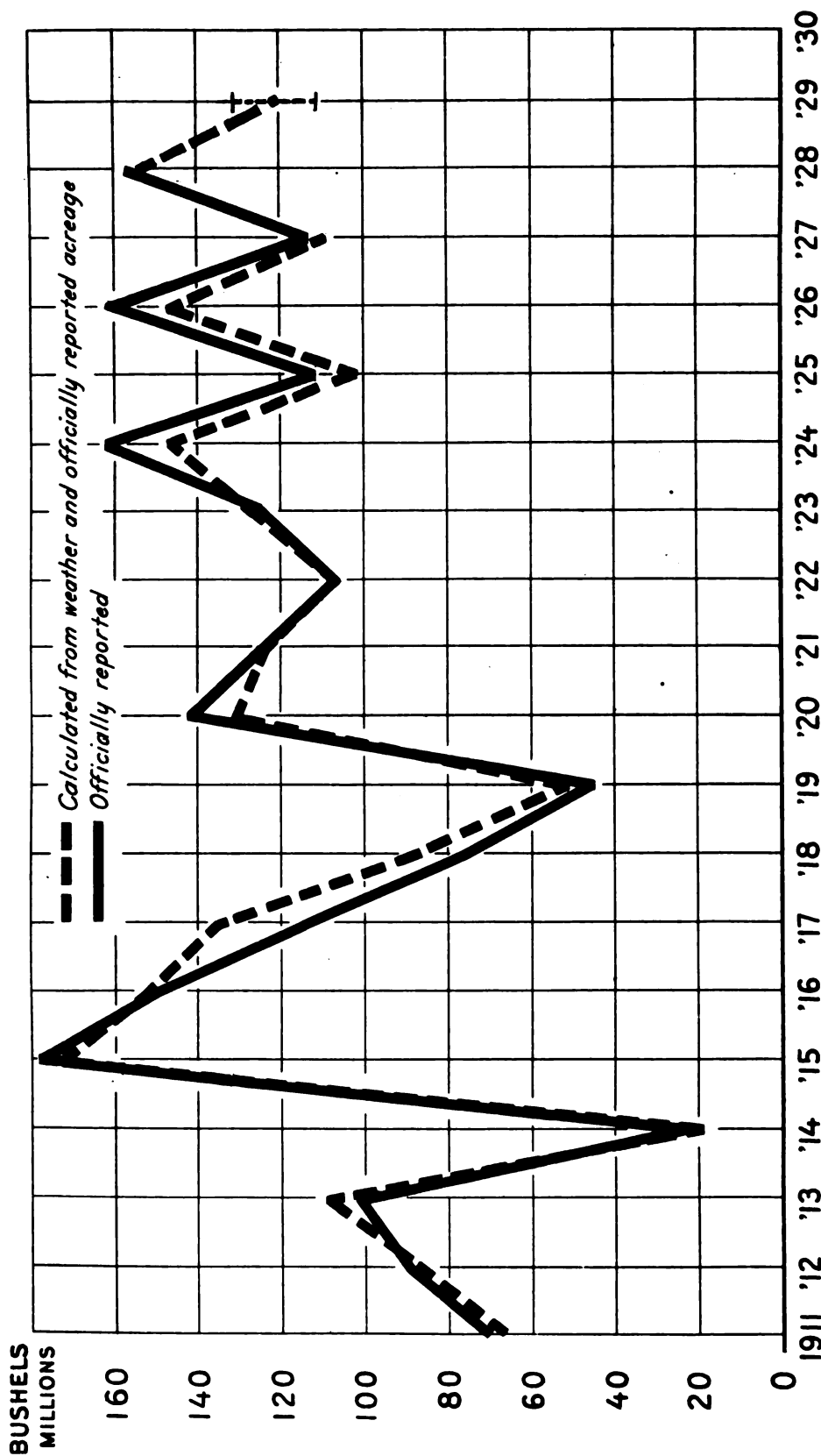
New South Wales, $P = .87$, $\bar{P} = .77-$, $\bar{Se} = 2.5$ bu.

Western Australia, $P = .93-$, $\bar{P} = .85+$, $\bar{Se} = 1.4$ bu.

The "corrected" standard error and the "corrected" indexes of correlation are calculated from the following formulas developed for linear correlation:

Notes continued on page 33

AUSTRALIA: WHEAT PRODUCTION IN FOUR STATES



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$$Se = \sqrt{\frac{\sum Z^2}{n-m}}$$

$$P = \sqrt{1 - \frac{Se^2}{\sigma_m^2}}$$

Where: Z = deviation of calculated yields from the actual
 n = number of observation
 m = number of variable

In using these formulas for the curvilinear correlation of this study it is assumed that the introduction of a curve in a regression has the same effect as the introduction of an additional variable. Hence m is made equal to the number of variables plus the number of regressions which are curvilinear.

b/Includes for Western Australia calculation from study excluding temperatures, P = .72, P = .53.

c/Weather data not available.

d/For August-September rainfall the data for 9 representative districts were used as indicative of the entire wheat areas, and for October, average rainfall was assumed. Assuming production in other parts of Australia to be 3.7 million bushels, the same as last year, the total for all Australia would be 124.5 million bushels. Allowing Se = 10 million the probable crop would range between 115 and 135 million bushels.

New export rate on grain to Gulf ports from Omaha
and other points effective October 10, 1929

Following the 7-cent reduction in the export rate on wheat and corn from Kansas City to the Gulf seaboard, which became effective on October 1, corresponding reductions went into effect on October 10 from Omaha and other markets and country shipping points, according to the new tariffs that have been filed by the railroads with the Interstate Commerce Commission.

The new export rates from some of the principal markets and country shipping points to Galveston and New Orleans, which went into effect on October 10, are as follows, in cents per hundred pounds: The so-called proportional, or re-shipping rate, from Omaha, Nebraska City, and Council Bluffs is 24½ cents; from Atchison and Leavenworth, Kansas, and from St. Joseph, Missouri, 23½ cents; the local export rate from Wichita, Kansas, is 37 cents and from McPherson, Kansas, 38 cents. A corresponding reduction of 7 cents per hundred pounds from Des Moines, Iowa, and certain other points, became effective on October 12, making the new proportional or re-shipping rate on wheat 24½ cents and on corn 23 cents. The new proportional export rate from St. Louis to New Orleans, which goes into effect on October 15 is 11 cents, with a minimum combination rate of 18½ cents. These reductions will also apply to other points not here mentioned; in fact, the 7-cent reduction will apply generally throughout the southwestern territory when all of the new tariffs are in effect, and in addition to wheat and corn, the new rates also apply to flour, cornmeal, and other products of wheat and corn.

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
WH-41

October 21, 1929

FOREIGN NEWS ON WHEAT

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November 7, 1929

FOREIGN NEWS ON WHEAT

METHOD OF MARKETING GRAINS IN ARGENTINA ON A "PRICE TO BE FIXED" BASIS

Argentina has become the world's largest grain exporter, ranking first in the exports of corn and flaxseed and third in wheat. Of the grain moving from exporting countries in recent years Argentina supplied over three-fourths of the flaxseed, two-thirds of the corn, and one-fifth of the wheat. The following table shows the average production and exports of principal grains in Argentina for recent years compared with pre-war.

ARGENTINA: Production and exports of wheat, corn and flaxseed, average 1909-1913 and 1923-1927							
Seasons beginning	Wheat		Corn		Flaxseed		
	Produc-	Exports	Produc-	Exports	Produc-	Exports	
	tion		tion		tion		
	Million	Million	Million	Million	Million	Million	Million
	bushe	bushe	bushe	bushe	bushe	bushe	bushe
1909-1913	147	83	192	127	31		27
1923-1927	218	147	282	218	65		62
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
Increase	48.3	77.1	46.8	71.7	109.7		129.7

The inadequacy of storage and credit facilities in the interior has led to a special method of selling grain in Argentina, according to a report received in the Foreign Service of the Bureau of Agricultural Economics from American Consul General George S. Messersmith at Buenos Aires. This method is known as sales "a fijar precio", that is, "at a price to be fixed" after the delivery of the grain. Under this system the farmer receives between 75 and 80 per cent of the value of the grain on the day of delivery, but reserves the right to finally dispose of the grain on any day he chooses, within a specified period, usually 8 months.

Concentration of grain exportation

The exporting of grains from the Argentine is concentrated in a few large firms which have branches in most of the principal cities at home and abroad. About five of these large exporting firms handle from 80 to 90 per cent of all the cereal grains exported from Argentina and in addition to the

1. The first part of the paper is devoted to a discussion of the general principles of the theory of the structure of the atom.

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13. The thirteenth part is devoted to a discussion of the general principles of the theory of the structure of the atom.

exporting of grain they also engage in other activities, such as the operation of flour mills, oil mills, bag manufacturing, and also do some banking business. The concentration of the exportation of grain in a few large firms is a peculiar characteristic of the Argentine agricultural system and has a considerable bearing on the sales methods used in the country.

Inadequate storage facilities in interior

Another feature which is characteristic of the Argentine agricultural situation is the inadequacy of storing facilities for grain in the interior. Due to the mild winters no shelter is provided for cattle and even expensive farm machinery is very often left exposed to the weather. As a general rule farm buildings such as could be used for storing grain are either lacking or are very primitive and are confined to a shelter for farm hands. Because of this lack of farm storage it is necessary for the farmer to move the crop shortly after harvest in order to prevent deterioration in the open.

There is almost a total absence of elevators or other storage facilities in the interior except in a few cases where the railway companies have built covered sheds for temporary storage. Very often the grain is placed in the open near the railroad and is covered by a heavy canvas until it is shipped to one of the ports. The large exporting firms maintain considerable storage space at the ports for the storage of grains which they are not ready to ship. At some of the ports, more particularly at La Plata, the railway companies have built storage sheds. In general it may be said that storage facilities have been greatly improved in recent years but that they are still inadequate.

Inadequate banking and credit facilities

The farmer in Argentina, as in most other agricultural countries, needs advances or credit on his crops soon after harvest. Banking and credit facilities are very inadequate and oftentimes are not available in the rural districts. The farmer secures his credit from the local storekeeper who in turn usually buys the grain from the farmer and who usually aims to make a profit on the grain in addition to the profit on the goods which he sells the farmer. Some storekeepers maintain limited storage facilities but as a general rule they in turn must dispose of the grain as soon as they get it. The storekeeper sells the grain in an "acopiador" (or other middleman) who in turn disposes of the grain, sometimes to a broker, or direct to an exporting firm.

Description of method

The method of selling at a price to be fixed works as follows: The farmer, having harvested his grain and having no place to store it, disposes of it to the local storekeeper or sometimes to a middleman on the basis of a contract at a price to be fixed. The terms of these contracts differ considerably but in general the storekeeper agrees to buy the wheat and to take delivery at once, advancing to the farmer from 75 to 80 per cent of the value of the wheat on the basis of the market price on the day of the contract. The farmer agrees that within a period not exceeding eight months he will sell the grain at the ruling price of the day on which he decides to sell,

The first part of the report deals with the general situation in the country. It is noted that the economy is in a state of depression, and that the government is facing a serious financial crisis. The report also mentions the political situation, which is described as unstable.

The second part of the report discusses the social conditions in the country. It is noted that the population is suffering from poverty and unemployment. The report also mentions the state of the education system, which is described as inadequate.

The third part of the report deals with the military situation in the country. It is noted that the army is in a state of disarray, and that the government is facing a serious military crisis. The report also mentions the state of the navy, which is described as inadequate.

The fourth part of the report discusses the foreign relations of the country. It is noted that the country is in a state of isolation, and that the government is facing a serious diplomatic crisis. The report also mentions the state of the economy, which is described as inadequate.

The fifth part of the report deals with the internal security of the country. It is noted that the country is in a state of chaos, and that the government is facing a serious internal security crisis. The report also mentions the state of the police, which is described as inadequate.

The sixth part of the report discusses the future of the country. It is noted that the country is in a state of uncertainty, and that the government is facing a serious future crisis. The report also mentions the state of the economy, which is described as inadequate.

and the storekeeper agrees to pay the farmer the difference between the value of the grain on the day the farmer chooses to sell and the 75 or 80 per cent advanced to the farmer at the time he delivered the grain.

The storekeeper or middleman who so acquires the grain from the farmer on the basis of the price to be fixed, then sells the grain on a similar basis to a middleman, broker or an exporting firm. The net result is that the grain almost immediately after harvest comes under the control of the exporter who is obliged to take delivery, as middlemen and brokers also lack storage facilities.

The terms of the contracts "a fijar precio" differ considerably. They always specify for an advance to the man who disposes of the grain; such advance being from 75 to 80 per cent of the value on the day of delivery but in some cases the middleman actually advances the farmer less. In some cases the contract provides that the seller of the grain shall pay interest on the money so advanced at from 6 to 8 per cent. In general, however, the storekeeper does not charge the farmer interest and the leading grain exporters also state that they do not charge interest on advances which they make on grain which they take at a price to be fixed. The contracts may or may not provide for carrying charges. The storekeeper or middleman can not exact carrying charges from the farmer as the farmer knows that these middlemen have no storage facilities. The exporters, however, in some cases may demand carrying charges of 50 centavos (21 American cents) per month per ton but these carrying charges do not usually apply until two months after the date of contract and delivery of the wheat.

The time limit within which the grain must be sold depends entirely upon the contract. It varies usually from a minimum of three months to a maximum of eight months. When the farmer sells the grain to a storekeeper or middleman he in turn sells the grain to a broker or exporter in order to protect himself from losses due to fluctuations in the market. Some of the middlemen and brokers who feel that the market is favorable and who are inclined to speculate may defer their hedging operations and attempt to make a profit on a prospective advance in prices. On the other hand, the storekeeper or middleman, if he anticipates a decline in price, may sell the grain before the farmer actually sells it. If the farmer finally sells at a lower price, the middleman makes a profit through his speculation, while if the farmer sells at an advanced price, the middleman sustains a loss.

Advantages of system to farmers

This system of selling at a price to be fixed has a number of advantages to the farmer, states Consul General Messersmith. Although he does not have storage facilities he is not obliged to sell the grain immediately and he is enabled to get credit advances without selling the grain. Another advantage is that the farmer is relieved of all responsibility for the grain immediately after delivery and does not have to stand any losses through deterioration and does not have to pay storage or other carrying charges as all these risks are passed on to the exporter. Another reason for the popularity of this system, although it may not be considered as an advantage, is that it satisfies the speculative instinct which is very strong among practically all classes in Argentina.

There has, however, according to Mr. Messersmith, been much agitation in the Argentine press of late for the purpose of securing legislation to prevent the selling of grain on a price to be fixed basis. It is claimed that this system works to the disadvantage of the farmers and to the advantage of middlemen and particularly to exporters. It seems, however, that this method has decided advantages to the producers and that it will continue to be practiced until farmers, either individually or through cooperative societies, are able to provide adequate storage facilities and to obtain credit in some other way.

Advantages to exporters

This system also has a number of advantages to the exporter for he obtains control of the grain soon after harvest without the necessity of paying for it all at that time. Having the grain in his possession it enables the exporter to make contracts abroad and to be ready to fill such orders at any time. The exporter frequently sells the grain before he has bought it and in this way he has the use of the 20 to 25 per cent of the value of the grain which he does not turn over to the broker or middleman until they sell the grain. In cases where the exporter charges the middleman or broker interest on the 75 or 80 per cent advance on delivery, he is really getting interest on 100 per cent of the value in cases where he has sold the grain before he has bought and fully paid for it. In view of the large volume of transactions handled by the exporting firms, such interest charges are a large source of profit to the exporter. The carrying charge of 50 centavos per ton per month is a very reasonable charge in view of the additional risks taken by the exporter. However, in cases where the exporter has sold the grain before he has bought it, he is receiving payment for carrying charges on grain which he has already disposed of. Representatives of the leading exporters, however, state that most of their contracts do not provide either for interest or carrying charges and that when carrying charges are made they are not effective until two months after delivery.

This same system of selling at a price to be fixed is also being used between the Argentine exporter and the buyer in Europe. The European buyer advances 75 to 80 per cent of the value upon receipt of the grain with the privilege of naming the day, within a specified limit, upon which he wishes to buy the grain from the Argentine exporter. The risk taken by the Argentine exporter, however, would be too great if the European buyer could liquidate his whole contract by the ruling price of a particular day. The contract, therefore, usually provides that the purchaser can not liquidate more than a fixed sum, say 500 tons, on any one day. The purchaser advises the seller in Argentina by cable that he accepts the ruling price of a certain day for a certain quantity and this enables the Argentine seller to protect himself by hedging on the Buenos Aires market, if he considers such protection necessary.

Shipping of Grains "On Order" from Argentina

The shipping of wheat and other cereals "on order" while practiced to a certain extent in other agricultural countries is a particularly characteristic feature of the Argentine grain trade. The term "shipping on order" as used in Argentina may be defined as the forwarding of grain which may be sold or unsold, on documents on order instead of to a fixed destination, with the understanding that the final destination of the grain is to be determined after the cargo has been afloat for some time, according to Mr. Messersmith.

The shipping of grains on order from the Argentine bears a complementary relationship to the selling of grain on a price to be fixed basis. The large exporting firms which come into control of the Argentine grain crops soon after harvest find it advantageous to ship grains on order. The voyage from the Argentine ports to Europe takes about thirty days and during this time fluctuations may take place in the grain markets of the world which could not be foreseen or were not anticipated when the grain was shipped. It is, therefore, an advantage to the exporter to be able to divert shipments which are afloat to any particular point where it may prove of advantage to send it. If the exporter ships grain from the Argentine to meet a particular contract and makes the bill of lading for a particular port, he can not change these documents after the departure of the ship and can only divert the grain with the greatest difficulty. If, on the other hand, he ships the grain on order, he has absolute freedom for a period of from eleven days to three weeks in which to determine where he wishes to send the shipment. Another reason for the practice of shipping on order, although of less importance, is that it enables the exporter to place the grains afloat whenever he is pressed for storage space and, having grains afloat, it enables him more readily to meet the contracts for delivery.

The freedom allowed by this method of selling on order is the principal reason for its popularity and, according to Mr. Messersmith, from 50 to 60 per cent of the wheat and corn exported from Argentina is sent on documents on order.

A great deal of Argentine grain is listed as exported to Spanish and Portuguese possessions as a result of selling on order. The Spanish possession indicated in the Argentine statistics is Las Palmas and the Portuguese possession is St. Vincente. These two island ports are in close proximity to Europe and approximately three weeks by steamer from Argentina. Vessels use these ports as refueling stations on the journey from Argentina to Europe and it is at these ports that orders are received from the Argentine exporter as to where the shipments are to be diverted or applied. Argentine statistics do not show the ultimate destinations of these grains after they are diverted from these two Spanish and Portuguese possessions and the only means of determining the destinations would be from the import figures of the various European countries.

THE HISTORY OF THE UNITED STATES

The history of the United States is a story of growth and change. It begins with the first settlers who came to the Americas in search of a new life. They found a land of opportunity, but also one of challenges. The early years were marked by conflict and struggle, as the settlers fought to establish a new society. Over time, the United States grew from a small colony into a powerful nation. It faced many challenges, including war and economic hardship, but it always emerged stronger. The story of the United States is a story of resilience and hope. It is a story of a people who have built a great nation from scratch. The history of the United States is a story that continues to inspire and guide us today.

The early years of the United States were marked by conflict and struggle. The settlers fought to establish a new society, and they faced many challenges. They fought wars with the Native Americans, and they fought wars with each other. The early years were a time of great hardship, but the settlers persevered. They built a new society, and they emerged stronger than ever. The story of the United States is a story of resilience and hope. It is a story of a people who have built a great nation from scratch. The history of the United States is a story that continues to inspire and guide us today.

The United States has a long and rich history. It is a story of growth and change, of challenges and triumphs. The United States has been a land of opportunity, a land of hope. It has been a land where people have built a great nation from scratch. The history of the United States is a story that continues to inspire and guide us today.

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

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WH-42

FOREIGN NEWS ON WHEAT

November 18, 1929

WORLD WHEAT CROP AND MARKET PROSPECTS

The world's supply of wheat for the remainder of the 1929-30 marketing season is considerably less than for the corresponding period of the past season and prices are expected to improve within the next two months, according to the United States Department of Agriculture.

The world's crop appears likely to be about 3,400,000,000 bushels, 530,000,000 bushels less than last year and 120,000,000 bushels less than the average of the past five years. The reduction in production is offset to some extent by an increase in carryover. Stocks accounted for at the beginning of the season amounted to 593,000,000 bushels, or 170,000,000 bushels more than on July 1, 1928. The increase in carryover, however, leaves the world supply 360,000,000 bushels short of last year. The total supply is but slightly larger than the average for the past five seasons, when British parcels prices averaged about 160 cents per bushel.

The world visible supply is about 250 to 300 million bushels greater than would normally be expected from the present world crop, but the world will consume this amount in one month and it is to be spread over nine months.

In looking at the large world visible supply of about 500 million bushels, the fact that the supply remaining to come forward has been greatly reduced must not be overlooked. Practically all of the increase in visible supply over what might normally be expected is in the United States and Canada. The visible supply of Canadian wheat amounts to over 200 million

bushels, but there is only about 50 million bushels more to come forward from the farms of that country. The visible supply in the United States amounts to about 200 million bushels, but receipts are declining and the wheat remaining on farms in the United States is now less than last year. Australia and Argentina have about cleaned up old wheat stocks and the prospect is that the new crops will be about 150 million bushels less than in the past season.

Shipments from surplus producing countries July 1 to November 9 are reported to be 72 million bushels behind shipments from the same countries in the past season, but the total supply from which the shipments for the season are to be drawn is about 400 million bushels short of the available supply for the past season.

The elevators of many European ports are reported to be about full. Mr. Foley cables that the ordinary wheat storage space in Liverpool is filled but that ships and other space are being utilized to store grain. The Berlin office cables that the elevator space at Continental ports is scarce. Barges are used to supplement elevators in storing grain. The stocks at these European ports, however, are small. Ordinarily the grain moves from the ports about as rapidly as it is received without much accumulating. Any decline in shipments to these ports would result in a reduction in stocks in a very short time.

Evidences of relief from the effects of large visible stocks of wheat are beginning to appear. Receipts in the United States and Canada are declining. The visible supply in the United States has apparently reached its peak and has begun to decline. The weekly Argentine shipments of old wheat have been reduced and little remains to be shipped from Australia. Our

Agricultural Commissioner in Berlin reports smaller stocks of wheat on farms and a reduction of stocks in Berlin. Smaller shipments are in prospect from the Danube countries. All of these facts point to the possibility of a fairly rapid reduction in the visible supply through the next few months.

Apparently the decline in the price of stocks contributed to the recent decline in wheat prices. It is not to be expected, however, that the consumption of wheat will be affected adversely by the decline in the prices of stocks. A decline in the general price level of all commodities probably would reduce the wheat price level to some extent. It seems likely that after the futures markets become somewhat stabilized, wheat prices will readjust to a normal supply-price relationship for the season.

Taking into account developments in the season to date, it is estimated that the average price of wheat in British markets (British parcels) for the season July 1, 1929 - June 30, 1930 will average 150 to 160 cents per bushel as compared with 129 cents for the past season. In the United States the price of soft red winter will probably average about the same, and the prices of other classes of wheat about 20 cents per bushel higher, than in the past season. This will require the average prices for the remainder of the season to be from 10 to 15 cents per bushel higher than in the first week of November. Prices are likely to begin to improve within a few weeks and be considerably above the present level in January and February.

World Production and Crop Conditions

Forecasts and estimates in 35 countries to date indicate a production of 3,024,000,000 bushels, 403 million bushels less than last year when these countries produced over 85 per cent of the world's crop outside of Russia and China. Weather conditions to date seem to indicate a yield of about 11 bushels per acre in Argentina, which upon the acreage reported planted would result in a crop of about 215 million bushels compared with 340 millions last year. Australia indicates a crop of about 112 million bushels, compared with 160 millions produced last year. A private correspondent indicates a smaller crop in Australia. It seems likely that world production, outside of Russia and China, for the season will be about 530 million bushels short of last year.

Table 1. - WHEAT: World supply, price and disappearance,
1923-1929

Year	Production					
	United States	Canada	Argentina	Australia	Europe a/	all other b/
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1923-24	797	474	248	125	1,257	650
1924-25	854	262	191	155	1,058	610
1925-26	676	395	191	115	1,397	667
1926-27	631	407	221	161	1,210	596
1927-28	878	460	239	118	1,268	678
1928-29	902	567	340	160	1,409	652
1929-30c/	792	294	(215)	112	1,397	590
	World production:		Shipments from Russia		Stocks accounted for July 1:	
	b/				Total supply	Total disappearance
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1923-24	3,551	21	505	3,877	3,528	121
1924-25	3,150	1	349	3,500	3,209	179
1925-26	3,421	27	291	3,759	3,484	170
1926-27	3,426	49	275	3,750	3,403	164
1927-28	3,661	5	347	4,013	3,592	154
1928-29	3,930	0	421	4,551	3,758	129
1929-30	3,400	0	593	3,993	(3,550)	150 - 160

a/ Excludes Russia.

b/ Excludes Russia and China.

c/ Preliminary.

Crops in the Southern Hemisphere

The outturn of the Australian and Argentine crops is still somewhat uncertain but it now seems reasonably certain that the crops of these two countries will be about 150 million bushels short of the past season. Private reports as to the probable outturn of the Argentine crop vary from around 200 to 240 million bushels. A cable from the International Institute reports an estimate of the Australian crop at 112 million bushels. A private correspondent in Australia, however, estimates the crop at about 90 to 100 million bushels. He says that in the latter part of September the eastern states had two weeks of very severe drought, accompanied by night frosts. This retarded the development of the crop and in some centers growers commenced to feed off the wheat with their sheep. Since September, however, there has been some rain. The crop of Western Australia was progressing satisfactorily until in August when a dry period materially affected the crop. He now reduces his estimate of the crop of Western Australia from 45 to 30 or 35 million bushels.

Shipments from the Southern Hemisphere have slowed up. Little remains of the old crop in Australia and shipments are averaging only about 500,000 bushels per week. A considerable amount of old wheat still remains in Argentina, but shipments have declined.

Canada

The November official report makes practically no change in the estimates of the Canadian crop, leaving it 294 million bushels, compared with 567 millions produced last year. Autumn conditions are not favorable for the 1930 crop. The rainfall from the beginning of September to date has been heavier than a year ago but still below normal. It has been demonstrated that moisture in the ground from fall rains is an important factor in making the Canadian crop. Only about an average or less than average crop could be expected from the precipitation received this fall to date.

The Canadian crop has moved rapidly to market and only a small proportion of the crop remains in the hands of the producers. Adding estimated production to stocks on farms, August 1, indicates a total farm supply of about 300 million bushels, compared with 570 million bushels last year. Receipts at country elevators and platform loadings, August 1 to November 1, have amounted to about 175 million bushels, as compared with 250 millions last year, leaving in the hands of producers only about 125 million bushels as compared with 320 millions last year. A Canadian authority estimates that only about 50 million bushels more are to be marketed.

The Canadian visible supply, including country elevator stocks, is very large, amounting on November 2 to about 213 million bushels, as compared with 158 millions last year. The country elevator stocks were about 70 million bushels the same as a year ago. The increase in the visible supply is in terminal elevators and is due both to a more rapid movement in the grain from farm to market, and to a slower export movement than last year. There are larger supplies of Canadian wheat in the United States, in Canadian eastern seaboard points, in the Lake ports, and at Port William and Port Arthur. Apparently the storage capacity at many points is about filled to the limit of working capacity.

Canada: Exportable surplus of wheat

	<u>Bushels</u>
Production, 1929	293,899,000
Carryover, July 31, 1929	<u>104,426,000</u>
Total supply	398,325,000
Loss in cleaning and grain not merchantable....	10,000,000
Available supply.....	388,325,000
Seed and food.....	90,000,000
For export and carryover.....	298,325,000
Exports:	
August	13,051,000
September	9,626,000
October (rough estimate).....	<u>15,000,000</u>
	..... <u>37,677,000</u>
Balance November 1	260,648,000
Carryover, July 31, 1930.....	<u>1/60,000,000</u>
Probable exports, Nov. 1-July 31.....	<u>1/200,000,000</u>
<u>1/</u> Approximate figure.	

Canadian exports have fallen far behind last year. Shipments from Fort William, Port Arthur, Vancouver and Prince Rupert, from July 1 to November 3, have amounted to 85 million bushels, compared with 196 millions in the corresponding period of last season. Facing a large crop, Canada shipped large quantities of old wheat in July and August last year, to clear the way for the new crop. Facing a crop only about half as large at the beginning of the present season, she has shipped a little less than half as much old and new wheat. Much of the wheat shipped from the head of the Lakes is held in eastern elevators to be exported during the winter.

Last year Canada exported 408 million bushels of wheat including flour, and had a carryover of 104 million bushels at the end of the year. This year she can not export more than 200 million bushels without reducing the carryover. Taking into account the usual loss in cleaning, seed, and food, and allowing for a moderate carryover, Canada may be expected to export about 240 million bushels. About 40 million bushels having been exported leaves approximately 200 million bushels to be exported in the period November 1 to July 31, as compared with about 300 millions exported in the corresponding period of the past season.

The Canadian crop is grading considerably higher than last year. Inspections through October graded 87 per cent No. 3 and above, as compared with 59 per cent last year. The durum crop appears to be smaller than last year. In these three months inspections of durum amounted to 6,500,000 bushels as compared with 14,950,000 in the corresponding months a year ago.

Canadian prices are averaging higher than a year ago, and the prices of the different grades are closer together. The averages of prices during the last week of October are given below, in comparison with a year ago.

Table 2 - Winnipeg: Wheat prices.

Grade	Weekly average price per bu	Weekly average price per bu
	October 21-26, 1929	October 22-27, 1928
	Cents	Cents
No. 1 hard.....	136.0	No quotations
No. 1 northern.....	135.8	122.4
No. 2 northern.....	132.7	114.8
No. 3 northern.....	128.8	109.7
No. 4 northern.....	125.3	101.1
No. 5 northern.....	115.1	89.4
No. 6 northern.....	94.1	78.4
Feed.....	61.3	73.5

Canadian Grain Statistics.

The low grade and low priced wheat competition from Canada will be much less than in the past season.

The United States

The supply of wheat remaining in the United States to be marketed is probably not very different from that of a year ago. The total supply at the beginning of the season - production plus carryover - was about the same as at the beginning of the past season. Farmers, however, indicated intentions to sow a larger area of winter wheat and therefore used more seed. This accounted for exports to November 9 total 64 million bushels, compared with 73 millions in the corresponding period of a year ago. It is estimated that mill consumption for the first three months of the season totaled 151 million bushels as compared with 146 millions in the corresponding months of the previous season. Data as to October consumption are not yet available. Assuming that it equaled October last year, it would appear that the total amount of wheat remaining in the country available for carryover, consumption and export is about the same as a year ago.

The most striking feature of the wheat situation in the United States is the large visible supply, which according to reports to the Bureau of Agricultural Economics on November 9 totaled about 200 million bushels. This is nearly one-third of what farmers have to market from the 1929 crop. Beginning the season at a high level stocks increased rapidly through July and August, reaching a peak toward the end of October. During the past two weeks stocks have declined. Apparently this marks the beginning of the end of a period of heavy marketings and congested terminals.

Some questions have been raised as to what the United States will do with all the wheat on hand. Adding carryover and 20 million bushels of Canadian wheat to be ground in bond, there would be a total supply of 1,057,000,000 bushels to be utilized, exported and carried over into the next season. Assuming that 90 millions are used in seeding, 520 millions are utilized in mills for domestic consumption, and 50 millions are fed on the farm, there would be 397 million bushels for export and carryover. Last year carryover amounted to 245 million bushels. This can be reduced to 150 millions by exporting 247 million bushels of wheat including flour. Since we have already exported 64 million bushels, there would be 183 million bushels or about 23 millions per month, to be exported for the remainder of the season. This is a large amount but it can be moved as in the 1920-21 season 221 million bushels were exported in these months. Exports from the United States in the remainder of the season may not quite reach 180 million bushels but smaller supplies to come from Australia, Argentina and Canada will leave the way open for exporting large amounts from the United States.

Grindings of wheat by Commercial Mills (for domestic
consumption and export)

Months	1928 <u>1,000</u> bushels	1929 <u>1,000</u> bushels
July	42,713	45,869
August	51,427	54,212
September	51,773	50,849
October	56,987	
November	48,760	
December	45,449	
January	49,170	
February	44,364	
March	45,130	
April	42,345	
May	45,782	
June	<u>43,678</u>	
Total	567,578	

Report of stocks of all grain at principal markets as of
November 9, 1929

Domestic wheat in store and afloat, as reported for markets in the United States, decreased 2,933,000 bushels during the week ended November 9, as compared with an increase of 177,000 bushels during the corresponding week a year ago. Stocks of grain at Kansas City decreased less than one per cent during the week. Both private and public elevators remain practically filled. Stocks in public elevators at Chicago decreased one per cent and in private elevators the decrease amounted to 1.7 per cent, making a decrease of 1.5 per cent in total stocks there during the week. At Minneapolis there was practically no change in public elevators but in private elevators there was a small increase of about two per cent, bringing the total increase to 724,000 bushels during the week. Stocks at Duluth and Superior remained unchanged. Receipts of wheat decreased to a small extent at Chicago, Kansas City, Minneapolis, and Duluth, with the greatest decrease at Minneapolis as compared with the previous week. The decrease at Minneapolis for the week was 389,000 bushels.

Table 3.- WHEAT, DOMESTIC: Stocks in store and afloat, United States markets, July 7, 1928 - January 27, 1929 and July 6, - November 9, 1929

Week ended	Stocks		Increase over previous week	
	1928	1929	1928	1929
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July 6	38,839	93,364	252	2,922
13	38,837	93,763	- 02	5,399
20	42,873	104,990	4,036	6,227
27	52,421	116,149	9,548	11,159
Aug. 3	65,241	135,813	12,820	19,664
10	72,811	156,297	7,570	20,484
17	82,590	171,508	9,779	15,211
24	88,239	179,015	5,649	7,507
31	93,870	186,051	5,631	7,036
Sept. 7	97,377	187,991	3,507	1,940
14	101,344	192,046	3,967	4,055
21	109,187	195,025	7,843	2,979
28	115,469	197,443	6,282	2,418
Oct. 5	123,797	199,157	8,328	1,714
12	128,989	200,517	5,192	1,360
19	134,706	201,023	5,717	506
26	138,486	202,620	3,780	1,597
Nov. 2	139,493	202,461	1,007	- 161
9	139,670	a/ 199,528	177	-2,933
16	138,369		-1,301	
23	133,908		539	
30	140,172		1,264	
Dec. 7	139,830		- 342	
14	141,349		1,519	
21	142,092		743	
28	144,351		2,259	
Jan. 4	142,326		-2,025	
11	138,685		-3,641	
18	134,804		-3,881	
25	133,262		-1,542	

Compiled from commercial grain stocks in store in principal United States markets, as reported to the market news service of the Bureau of Agricultural Economics.

a/ Preliminary.

Prices

In the week ending November 14 future closing prices reached new lows for the season. Prices recovered some of the loss during the two days at the close of the week, however, on the strength of firmness at Liverpool and reports of a larger volume of exports at the lower prices.

The cash wheat markets did not reflect to a very great extent the drop in future closing prices during the week ended November 8, as the weekly average price of most classes of wheat made only moderate declines while that of hard red spring advanced slightly. The weighted average cash price of all classes and grades at six markets only declined one cent to 120 cents per bushel as compared with 108 cents a year ago. The class of durum made the greatest decline of the week and No. 2 amber at Minneapolis declined four cents to 118 cents. No. 2 red winter at St. Louis and No. 2 hard winter at Kansas City each declined one cent to 130 and 118 cents respectively, while the price of No. 1 dark northern spring at Minneapolis advanced two cents to 130 cents per bushel. The price of western white as indicated by the average of daily cash quotations at Seattle declined two cents to 119 cents as against 115 cents a year ago. Cash prices have become weaker since November 8. The spread between cash closing prices at Minneapolis and Winnipeg narrowed three cents during the week to six cents in favor of Winnipeg as compared with a spread of one cent in favor of Minneapolis last year.

It now seems necessary to reduce our previous estimates of the probable average of prices for the season in markets of the United States. The world supplies for the present season and the past season are now indicated to be larger than they were estimated to be at the beginning of the season. The depression of prices in September and October by the heavy early marketings of grain in Europe and large stocks in the United States, together with a decline in the price level and some depression in speculative markets, indicates that the average for the season is not likely to reach the level indicated earlier in the year. The approximate average price for the season to date, the average for the week ended November 8, 1929, and the estimated average prices for the season by classes at principal markets, are as follows:

Price per bushel			
	Average of weeks July 5-Nov.1	Average, week ended Nov. 8, 1929	Probable average prices for the season
	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>
No. 2 hard red winter, Kansas City...	123	118	125-135
No. 2 red winter, St. Louis.....	133	130	135-145
No. 1 dark northern spring, Minneapolis.....	139	130	140-150
No. 2 amber durum, Minneapolis.....	129	118	130-140
No. 1 western white, Seattle.....	125	121	125-135

Prospects for new crops will, of course, have some influence upon these averages and will materially affect the course of prices in the latter part of the season.

Table 3. - WHEAT: Closing price of September and December futures

September futures												
Date	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires a/						
	1928:	1929:	1928:	1929:	1928:	1929:	1928:	1929:	1928:	1929:	1928:	1929:
	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:
	:	:	:	:	:	:	:	:	:	:	:	:
Aug 29:	110:	132:	103:	127:	109:b/134:b/111:b/154:b/131:b/140:	114:	115					
Sept 5:	110:	132:	103:	127:	108:b/134:b/111:b/152:b/130:b/142:	114:	120					
	:	:	:	:	:	:	:	:	:	:	:	:
December futures												
	12:	113:	144:	107:	137:	110:	145:	110:	158:	129:	149:b/110:c/122	
	19:	115:	139:	109:	135:	112:	140:	116:	151:	131:	144:b/110:c/118	
	26:	118:	137:	112:	131:	115:	141:	116:	148:	135:	138:b/113:c/113	
Oct	3:	118:	133:	112:	128:	114:	137:	118:	142:	136:	138:b/113:b/114	
	10:	117:	135:	111:	130:	113:	137:	118:	148:	135:	141:	117:c/126
	17:	115:	130:	110:	125:	111:	133:	118:	144:	136:	136:	117:c/122
	24:	113:	120:	107:	114:	109:	122:	117:	132:	134:	130:	116:c/118
	31:	116:	128:	111:	122:	112:	131:	119:	140:	137:	134:c/116:c/119	
Nov	7:	114:	123:	108:	117:	110:	126:	118:	134:	134:	129:c/116:c/116	
	14:	116:	116:	110:	111:	111:	120:	120:	128:	135:	120:c/115:c/114	
	21:	117:	:	110:	:	112:	:	119:	:	135:	:c/116:	
	28:	115:	:	109:	:	111:	:	117:	:	134:	:c/113:	
	:	:	:	:	:	:	:	:	:	:	:	:

a/ Prices are of day previous to other prices.

b/ October futures.

c/ February futures.

Table 4 - WHEAT: Weighted average cash price at stated markets

All classes: No. 2 : No. 1 : No. 2 : No. 2 : Western												
Week : and grades:hard winter:dk.n.spring:amber durum:red winter:white												
ended :six markets:Kansas City:Minneapolis:Minneapolis: St. Louis : Seattle a/												
	1928:	1929:	1928:	1929:	1928:	1929:	1928:	1929:	1928:	1929:	1928:	1929:
	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:
Aug 23:	108:	128:	104:	122:	123:	141:	109:	131:	127:	134:	112:	128
30:	110:	123:	106:	120:	122:	134:	109:	127:	144:	130:	113:	125
Sept 6:	110:	128:	106:	125:	125:	137:	104:	132:	147:	138:	113:	126
13:	107:	130:	105:	126:	123:	140:	104:	131:	143:	137:	115:	126
20:	106:	128:	107:	125:	126:	138:	107:	127:	145:	134:	116:	123
27:	111:	125:	110:	123:	130:	133:	109:	121:	148:	135:	117:	120
Oct 4:	107:	126:	110:	124:	125:	135:	109:	127:	145:	133:	118:	121
11:	109:	128:	111:	125:	124:	137:	113:	131:	149:	136:	120:	122
18:	105:	125:	109:	121:	121:	134:	108:	131:	147:	132:	120:	120
25:	105:	119:	107:	117:	119:	127:	115:	122:	138:	128:	117:	118
Nov 1:	110:	121:	112:	119:	124:	128:	121:	122:	140:	131:	117:	121
8:	106:	120:	110:	118:	122:	130:	114:	118:	141:	130:	115:	119
15:	109:		113:		123:		110:		146:		117:	
22:	110:		114:		125:		118:		145:		118:	

a/ Weekly average of daily cash quotations basis No. 1 sacked 30 days delivery.

Wheat markets in the Orient

Prospects for marketing American wheat in Japan this season are considered more favorable than last year, according to Commissioner Nyhus. American wheat prices are favorable to the importation of American wheat, whereas last year the price differential was decidedly in favor of Canadian wheat. Although Japanese wheat imports for the year beginning October 1 are expected to be about 25,000,000 bushels against 28,000,000 bushels last year, the imports of American wheat are expected to amount to about 15,000,000 bushels compared to only 3,800,000 bushels last year.

Japanese buying of foreign wheat has been slow this season but heavy purchasing is expected to follow the recent improvement in the exchange value of the yen as native supplies are short this season. The Chinese embargo on exports of wheat from Manchuria together with price considerations will practically eliminate Manchuria as a source of supply. Japanese flour millers, however, anticipate somewhat smaller operations than during the past season due to a general business depression and weak domestic market and a poor export demand as a result of American competition in the north China flour market.

Flour prices at Shanghai continue too low to warrant millers purchasing foreign wheat according to a cable from Mr. Nyhus. An early decline in the milling industry is expected as receipts of domestic wheat are small and quotations on foreign wheat are above the price at which contracts may be made profitably. An inactive demand from north China contributes to the weakness of the flour market. The largest flour milling company in Shanghai is planning to close down more than half of its present milling capacity at the close of November and one miller who had contracts for possible December wheat shipments has sold his space. Native wheat is quoted at \$1.12 per bushel and native flour at \$1.29 per bag. United States western red No. 2 was quoted at \$1.36 per bushel on November 11. Quotations for Canadian were higher than American wheat excepting for grade 6 and feed wheat and Australian wheat is materially higher than either American or Canadian wheat.

The Tientsin flour market is overstocked according to a report from Vice Consul Paschall at Tientsin. Stocks on September 30 were estimated at more than 5,000,000 bags or two and one-half times the normal supply.

Table 6a - TIENTSIN: Wheat flour cleared through the customs,
July 1926 - August 1929

Month	1926-27	1927-28	1928-29	1929-30
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
July	32,602	28,894	18,158	95,040
Aug	7,000	18,140	22,318	60,840
Sept	2,012	15,105	37,078	
Oct	3,474	16,887	33,284	
Nov	5,384	24,920	9,385	
Dec	5,362	36,477	30,984	
Jan	999	4,829	55,981	
Feb	3,195	28,797	23,064	
Mar	6,862	47,723	74,021	
Apr	29,216	50,148	97,115	
May	28,962	38,955	79,672	
June	24,864	40,451	69,882	
Total	149,832	362,326	550,942	

The Continental European wheat market situation during October 1929 a/

Price developments in the Continental European wheat market the past month have varied considerably with a somewhat firmer tone becoming evident as pressure due to the heavy movement from surplus areas and large farm marketings has lessened. Takings of overseas wheat increased to some extent, especially by the Belgian flour mills and the German mills of the lower Rhine. Business in the flour trade elsewhere, however, remained restricted. Trade stocks of wheat still appear rather large, because of heavy marketings of continental wheat but the reduced imports of overseas wheat have apparently reduced the weight of port stocks especially in some important countries. Antwerp stocks of wheat on October 15 appeared to be considerably below the previous month, and there is also reason to believe that larger import purchases in Italy will have resulted in a decline of port stocks, following a period of very small imports (July-September). Farm deliveries showed a declining seasonal tendency.

Business in Danubian surplus regions continued fairly good with price movements indicating that the surplus available for export is gradually becoming short. This development continued to the end of October when European prices generally became resistant compared with overseas prices, thereby approaching import parities in most sections.

a/ By Assistant Agricultural Commissioner Owen L. Dawson, Berlin, Germany, October 24, 1929. Supplemented by cable.

Rye prices in central Europe declined considerably, with a sustained tone in the Danubian countries. Marketings of rye became less pressing during October, with farmers occupied in autumn work.

Dealing in feed grains continued active as reported around the middle of September. Price developments were mixed, but feed barley prices appeared generally well maintained, while corn prices declined, as the trade points out, as a result of unfavorable relation to barley prices. As a result corn was somewhat neglected compared with barley, but still considerable quantities were taken by the Scandinavian countries and the Netherlands. Germany's demand for barley was also important, notably for Danubian. More overseas barley was purchased toward the end of October as farm deliveries in Rumania and Bulgaria are now much slower as farmers are busy with the corn harvest. Business in oats was quiet, but rather good demand for German oats developed for shipment to England and the Netherlands at sustained prices. Shrinking fodder crops stocks probably added to the maintenance of the revival in demand for feed grains.

There has been little revision in the estimates of the Continental wheat crop, the chief exception being Spain which shows a slight raise. It is to be noted that the distribution of this year's crop has changed materially compared with a year ago; the surplus countries show a decrease of about 20 per cent whereas the deficit countries show an increase of about 6 per cent. The quality of this year's crop is quite generally high compared with the average. In some cases the quality is said to be even superior to that of last year.

The Continental wheat crop would, on basis of the following figures, be about 1 per cent below 1928 or about 11 per cent above the average 1924-1928.

Autumn sowing on the European continent is progressing quite favorably, though earlier drought caused delay. The Danubian countries still complain of lack of rain and resultant delay in the sowing campaign.

Germany

The market for domestic wheat was comparatively active during the first half of October. The market for foreign wheat continued very quiet except for temporary periods of activity. During the first half of October flour mills in western Germany showed an increased demand for foreign wheat. Flour business as a rule was quiet with purchases mainly for current needs. Farm offerings of wheat which were pressing during August and the first half of September have decreased as usual this time of the year owing to farmers being busy with field work.

Prices of domestic wheat which showed a declining tendency toward the end of September recovered during the first ten days of October but following October 10 again declined. This increase of prices was attributed

to the new government order, effective October 1, which obliges flour mills to use a larger percentage of domestic wheat during the first part of the season than was required by the original order. According to the new order the minimum proportion of all wheat milled required to be domestic wheat still stands at 50 per cent for the whole year but was increased from 40 to 45 per cent for the period from August 1 to November 30 and specified at least 50 per cent for October and November.

The following table shows the development of domestic wheat and rye spot prices:

Table 7.- GERMANY: Price per bushel of domestic wheat and rye, August 14 - October 30, 1929.

Date	Wheat			Rye	
	Hamburg a/	Breslau b/	Berlin c/	Berlin d/	
	Cents	Cents	Cents	Cents	
Aug 14	180	159	160	114	
21	174	158	157	117	
28	165	152	147	111	
Sept 4	165	152	152	119	
11	160	150	147	114	
18	159	147	146	111	
25	155	145	144	109	
Oct 2	156	145	145	109	
9	164	148	153	112	
16	163	148	151	106	
23	161	147	149	107	
30	160	145	147	104	
Nov 6	159			97	
13	154			96	

a/ Wheat of any German district of at least 58.7 pounds per Winchester bushel.

b/ Wheat of any German district in carloads of 370 bushels of at least 58.7 pounds per Winchester bushel.

c/ "Märkischer" wheat of 58-59 pounds per Winchester bushel.

d/ "Märkischer" rye of at least 56 pounds per Winchester bushel.

Wheat imports in September were very small amounting to 3,564,000 bushels as compared with 5,266,000 bushels in August 1929 and 8,452,000 bushels in September 1928. Exports of wheat in September were very large, being 1,121,000 bushels, compared with 425,000 bushels in August and 584,000 bushels in September 1928. Visible stocks in the interior of the country have continued to increase during September. Wheat stocks in Berlin increased from 536,000 bushels on August 31, to 764,000 bushels on September 30 then declined to approximately 700,000 bushels on October 31 compared with a quantity of 625,000 bushels on October 31, 1928. Rye exports have increased considerably in September, but remained smaller

than in the corresponding months of last year. The rye stocks in the channels of trade are unusually large and this partly explains the depressed rye situation. Visible rye stocks in Berlin were 1,968,000 bushels on September 30, compared with 1,252,000 bushels on August 31, 1928, and 409,000 bushels on September 30, 1928.

The farm stock figures recently published by the German Agricultural Council show that total stocks and stocks available for sale indicate smaller reserves than last year for winter and spring wheat.

Table 6.- Total farm stocks and stocks available for sale on German farms (in per cent of total crop).

Crop	Total stocks		Available for sale	
	Oct. 15, 1928	Oct. 15, 1929	Oct. 15, 1928	Oct. 15, 1929
	Per cent	Per cent	Per cent	Per cent
Winter wheat	76.4	67	65.1	54
Spring wheat	90.0	86	80.7	73
Winter rye ..	71.1	72	46.1	43
Winter barley	50.4		30.6	
Spring barley	68.1	78	53.0	53
Oats	87.4		37.9	
Potatoes	84.0	81	42.1	29

The following table on the distribution of wheat and rye quality shows that the best qualities of both wheat and rye have somewhat larger shares than last year when a good quality crop was harvested. It appears that the quality of domestic bread grain is better than in normal years and that, therefore, somewhat less than the usual proportion of high quality wheat for mixing is required. However, the much smaller crop this year will result in increased net requirements over last year when the quality was also good.

Table 9.- GERMANY: Weight of wheat and rye per measured bushel, 1927-1929

Year	Winter wheat			Winter rye		
	Less than: 57 pounds	57-59 pounds	Over 59 pounds	Less than: 53 pounds	53-55 pounds	Over 55 pounds
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
1927 ..	28	43	29	31	46	23
1928 ..	7	36	57	7	38	55
1929 ..	10	29	61	6	33	61

France

Wheat markets in France which were rather firm and active toward the end of September and at the beginning of October weakened later on. Prices were about the same as a month ago. Takings of flour mills were much restricted as flour sales were slow. Farm deliveries remained small during the whole period because of the sowing campaign and the harvest of late crops which kept farmers busy. It is still hoped that the Government will take action on the relief measures discussed in our last report. Estimates of the quantity harvested are still greatly at variance, with the quality reported unusually good.

Weather conditions remained dry throughout September and the sowing campaign was, therefore, delayed. Abundant rainfall in October improved the situation greatly and it is hoped that no damage will result from this delay.

Italy

The Italian flour mills which had only very limited requirements for overseas wheat in recent months in October started to buy foreign wheat. It is evident that quantities of high gluten wheat have to be imported for mixing purposes despite the good domestic crop. The demand for Hungarian wheat has recently become rather active. Prices for domestic wheat increased somewhat but the price level remained mostly below the import parity.

The Netherlands and Belgium

Wheat markets in Holland and Belgium experienced a revival of business during the first half of October after a long period of business stagnation. Domestic as well as German flour mills were active buyers especially of spot grain and near positions. The visible wheat stocks of Antwerp which showed a considerable increase during September declined from 3,738,000 bushels on September 30 to 1,446,000 bushels on October 15 but at the end of the month were larger than at the beginning of the month. After October 15 transactions in wheat again became unimportant and prices tended downward.

Danube Basin

Active export business of wheat continued in the surplus producing countries of the Danube Basin, and prices showed a firm tendency through October, contrary to developments in foreign markets. With surplus supplies in these regions gradually being reduced, prices are improving their parity compared with overseas wheat. Danubian shipments

of wheat and wheat flour by sea continued heavy and railroad shipments to Austria, Czechoslovakia, and Italy also seem to have increased considerably during September and October.

Trading in Austria and Czechoslovakia was better than in surrounding import markets, interest centering chiefly around Danubian varieties.

Visible stocks of grain and flour held in public and cooperative warehouses in Hungary were as follows:

	<u>Wheat</u> 1,000 bushels	<u>Rye</u> 1,000 bushels	<u>Barley</u> 1,000 bushels	<u>Oats</u> 1,000 bushels	<u>Corn</u> 1,000 bushels	<u>Flour</u> 1,000 barrels
Sept. 18	4,117	1,111	259	370	121	398
Oct. 11	4,635	1,320	345	456	106	375

Business in corn, from the standpoint of the Danubian surplus regions was fairly good and the corn price improved in relationship to prices of overseas origin. Farm offerings are rather small at the present moment, and Danube shipments are hampered, as in the case of wheat, by the low water level in the river due to the long period of drought.

The Yugoslavian Government estimate of the corn crop amounts to 160,649,000 bushels compared with an estimate of only 71,612,000 bushels last year. Bulgaria estimates her corn crop at 41,612,000 bushels compared with 14,802,000 bushels harvested last year. It is considered quite likely that estimates of corn in the Danubian countries are too optimistic.

Negotiations between the Hungarian Export Institute and delegates from Rumania and Yugoslavia are under way aiming at the formation of a joint export syndicate to assure an orderly marketing of the crop.

Poland

Wheat markets in Poland continued weak throughout October with farm deliveries remaining abundant. Takings of flour mills were limited as a consequence of unsatisfactory flour sales. The high level of interest rates and the general shortage of capital is another reason for the hand-to-mouth policy of flour mills.

According to recent newspaper reports, a new export company will expand foreign markets for Polish grain. Farmers are asking for export bounties. The difficulties are much more pronounced in the rye market than in the wheat market.

Soviet Russia

Soviet press reports indicate a smaller share of bread grains in total procurings. Developments during the first half of October seem to have been rather satisfactory in Ukraine, Lower Volga region and the consuming regions, but some declining tendency was reported from North Caucasus, Middle Volga, Crimea and central Fertile Region. A steady though slight decline occurred throughout the Union as a whole between October 5 and October 20. Transportation, storing and lately difficulties in providing the grain procurers with sufficient quantities of sacks and sack-cloth are continually reported and the press fears that these difficulties may hamper the further development of the campaign and also possibly result in damage to the quality of the procured grain.

In comparing estimates of this year's crop with last years it must be remembered that estimates of last year's crop were considerably higher in October of last year than in the later revisions. The estimate recently published placed the 1929 crop at 84 million short tons and simultaneously revised the estimate for the 1928 crop downward (from 81 to 80 million short tons). a/ It is interesting to note that estimates of the last year's crop were continually revised downward during 1928-29 from about 86 million short tons at the beginning of October 1928, 82 during the second half of October to the above mentioned figure of 80 million tons.

The foreign press has recently reported export offers of Russian barley, but no definite information as the quantity of the sales effected is as yet available. The question was also raised by some foreign trade papers whether or not exports of Russian barley may be followed by exports of wheat. However, a resumption of Russian wheat exports may be regarded as very unlikely under present conditions, unless the Soviet Government will have to resort to exportation of wheat in order to meet very urgent obligations.

a/ Our August 30th statement indicated that "the crop of all grains will be not more than 5 per cent above that of 1928 and is more likely to be only 2 to 3 per cent above".

Table 10. - WHEAT: Consumption in specified European countries
1923-1929

Year	Domestic Production	Net Imports	Consumption
	<u>1,000 bushels</u>	<u>1,000 bushels</u>	<u>1,000 bushels</u>
<u>United Kingdom</u>			
1923.....	57,270	210,000	267,000
1924.....	51,746	216,069	267,815
1925.....	52,918	187,893	240,811
1926.....	51,000	216,616	267,616
1927.....	55,764	211,089	266,853
1928.....	49,762	203,982	253,744
1929.....	(47,500)		
<u>Italy</u>			
1923.....	224,836	70,000	295,000
1924.....	170,144	96,259	266,403
1925.....	240,345	63,870	304,715
1926.....	230,644	87,150	307,794
1927.....	195,809	86,665	282,494
1928.....	228,596	82,000	310,596
1929.....	259,628		
<u>Germany</u>			
1923.....	196,448	30,000	136,000
1924.....	89,199	71,016	160,215
1925.....	118,213	56,158	174,371
1926.....	95,429	93,517	188,946
1927.....	120,522	91,759	212,281
1928.....	141,593	68,493	210,086
1929.....	115,564		
<u>France</u>			
1923.....	275,569	51,000	327,000
1924.....	281,179	41,172	322,351
1925.....	330,340	34,023	364,363
1926.....	231,767	53,286	285,053
1927.....	276,128	53,855	329,983
1928.....	281,285	51,437	332,722
1929.....	319,863		

Table 11.- WHEAT INCLUDING FLOUR: Net imports from principal
exporting countries, year beginning July 1
1924-1929

Country	1924- 25	1925- 26	1928- 29	Prel. est. 1929- 30	Net imports reported July 1 to	1928- 29	1929- 30
	: Million bushels	: Million bushels	: Million bushels	: Million bushels		: Million bushels	: Million bushels
United Kingdom	216	188	204	195-210	Sept. 30:	50	60
Italy	96	64	82	60- 70	Sept. 30:	19	9
Germany	71	56	68	30- 90	Sept. 30:	21	23
France	41	34	51	20- 30	Aug. 31:	8	13
Belgium	39	39	41	42- 45	Aug. 31:	7	9
Netherlands ...	26	27	29	33- 35	Sept. 30:	7	7
Czechoslovakia	23	19	17	16- 17	Aug. 31:	3	2
Greece	23	18	22	16- 18	Aug. 31:	3	3
Irish Free State	19	18	18	16- 19	Aug. 31:	3	3
Austria	16	15	14	14- 17	:	-	-
Switzerland ...	14	14	15	16- 18	Sept. 30:	4	7
Sweden	11	6	8	7- 9	Sept. 30:	2	3
Norway	5	6	9	7- 9	Aug. 31:	1	1
Denmark	6	6	17	10- 12	Aug. 31:	2	1
Finland	4	5	6	6 - 7	Aug. 31:	1	1
Poland	7	a/ - 2	4	2- 6	Aug. 31:	b/	b/
Spain	a/ - 1	1	15	0- 1	:	-	-
Estonia	1	1	1	1- 2	July 31:	b/	b/
Latvia	2	2	3	2- 3	:	-	-
Total	619	517	624	:	:	131	142

a/ Net exports.

b/ Less than 500,000 bushels.

Table 12 - WHEAT, INCLUDING FLOUR: Net exports from principal exporting countries, year beginning July 1, 1924-1928 and estimate 1929-30

Country from which exported	1924-25	1925-26	1926-27	1927-28	1928-29	Preliminary estimate 1929-30
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
United States ...	255	92	206	191	142	200-250
Canada	194	320	305	305	422	225-260
Russia	0	27	49	5	0	0
British India ...	45	8	10	13	a/ -22	0
Hungary	15	19	21	22	24	20- 24
Rumania	4	8	11	7	2	10- 15
Bulgaria	a/b/ -2	4	2	2	1	0
Yugoslavia	9	12	10	1	8	10- 20
Algeria	a/ -1	5	a/ -1	5	4	0- 5
Argentina	125	100	138	178	218	150-175
Australia	124	77	97	73	113	55- 65
Total	768	672	848	802	912	670-814

a/ Net imports.

b/ Year ended December 31.

Table 13. - WHEAT, INCLUDING FLOUR: Shipments from principal exporting countries

	Total					Net movement from	
	shipments		Shipments, week ended			July to and in-	
Country	or exports					cluding November 3	
	1927-28	1928-29	Oct 26	Nov 2	Nov 9	1928-29	1929-30
		a/					
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels	bushels
Canada:							
Shipments, four							
markets b/....	335,335	458,649	6,607	5,312	6,218	195,577	84,536
United States ..	206,259	163,687	2,747	2,466	1,818	73,476	63,667
Argentina	178,135	217,903	4,644	1,158	2,652	39,512	83,272
Australia	72,962	114,272	472	744	528	17,532	18,304
Russia	5,408	8	0	0	0	8	0
Darube and Bul. c/	32,847	33,842	816	360	896	1,280	9,604
British India ..	15,668	d-21,739	0	0	0	2,881	d/- 525
Total	844,614	966,622	15,286	10,040	12,092	330,266	258,318

Compiled from official and trade sources.

a/ Preliminary.

b/ Shipments from Ft. William, Port Arthur, Vancouver and Prince Rupert.

c/ Yugoslavia, Rumania, Hungary and Bulgaria.

d/ Net imports.

Table 14.- WHEAT: Production in specified countries, average
1909-1913, annual 1926-1929

Country	Average 1909-1913	1926	1927	1928	1929 prel.
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Canada	197,119	407,126	479,665	566,726	293,899
United States..	690,108	831,040	876,374	902,191	791,768
Mexico	a/ 11,481	10,333	11,890	11,031	11,559
Total (3)...	898,708	1,248,509	1,369,929	1,479,948	1,097,226
EUROPE					
England and Wales.....	50,770	48,683	53,125	47,264	45,472
Sweden	8,103	12,153	15,835	19,155	18,724
Netherlands...	4,976	5,487	6,157	7,336	3,766
Belgium.....	15,199	12,801	16,277	17,986	15,995
Luxemburg.....	615	622	702	713	441
France	325,644	231,767	276,128	281,285	319,863
Spain	130,446	146,599	144,825	119,884	149,251
Italy	184,393	220,644	195,809	228,596	259,628
Switzerland ..	3,314	4,244	4,119	4,270	5,791
Germany	131,274	95,429	120,522	141,593	115,558
Austria	12,813	9,438	11,960	12,915	11,582
Czechoslovakia..	37,879	34,130	40,385	51,499	46,065
Hungary	71,493	74,908	76,935	99,211	71,833
Yugoslavia	62,024	71,427	56,568	103,294	94,982
Greece	b/ 16,273	12,403	12,970	13,085	13,981
Bulgaria	37,823	36,544	42,121	50,691	34,465
Rumania	a/ 158,672	110,883	96,734	115,544	99,758
Poland.....	63,675	52,490	61,093	59,219	60,259
Lithuania	3,264	4,180	5,273	6,327	8,818
Malta	196	310	294	289	293
Latvia	1,475	1,860	2,636	2,499	2,205
Finland	137	924	1,064	998	1,077
Total Europe (22).....	1,325,458	1,187,926	1,241,530	1,383,653	1,381,807
AFRICA					
Morocco	(17,000)	16,174	24,618	24,746	28,049
Algeria	35,161	23,551	28,323	30,302	20,025
Tunis.....	6,224	13,044	8,267	12,125	12,125
Total (3).....	58,385	52,769	61,208	67,173	60,199
ASIA					
India	351,841	324,651	334,992	290,864	317,595
Syria & Lebanon:	(4,000)	13,940	14,582	6,490	14,499
Japan	25,088	30,188	31,018	30,812	31,101
Chosen	6,898	10,517	9,043	8,595	9,963
Total (4).....	387,827	379,296	389,635	336,761	373,158
Australia	90,497	160,762	118,200	159,725	112,000
Total all coun: (33).....	2,760,875	3,029,262	3,180,502	3,427,260	3,024,390
Est.world total					
ex. Russia					
and China	3,401,000	3,426,000	3,661,000	3,930,000	3,400,000

Compiled from official sources and International Institute of Agriculture.

a/ Four-year average

b/ One year only.

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UNITED STATES DEPARTMENT OF AGRICULTURE
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FOREIGN NEWS ON WHEAT

WORLD WHEAT CROP AND MARKET PROSPECTS

The world wheat crop outside of Russia and China appears to be about 3,415,000,000 bushels and the disappearance for the season is likely to be about 3,650,000,000, thus reducing the world's carryover at the end of the season about 200 million bushels below what it was at the beginning of the season, according to the United States Department of Agriculture.

The market outlook for the remainder of the season has improved. Shipments from the Southern Hemisphere have declined and the expected reductions in new crops have been confirmed by recent reports. Congestions in Continental European markets are disappearing and the European demand for overseas wheat is beginning to show some evidences of increasing. The advance in cash wheat prices forecast a month ago is under way but large available supplies in the United States tend to hold the advance in check or cause recessions after marked advances.

Since many of the surplus countries have short crops and deficit countries have good crops, the world's trade in wheat for the season will be materially reduced. The surplus production in the principal exporting countries amounts to only about 460 million bushels as compared with 1,035 millions last year. These countries will undoubtedly ship more than this and reduce their surplus stocks. Attempting to match probable imports with exportable surpluses, it seems likely that the international trade in wheat including wheat flour will amount to about 750 to 800 million bushels, as compared with over 900 million bushels in the past season.

European deficit countries have produced more wheat this year than last but their total takings of foreign wheat are likely to be nearly as great as they were in the past season. Some of the important countries such as France and Italy will take less while Germany and some of her northern neighbors will take more than in the past season. As a rule large domestic production and relatively low prices result in heavier consumption. France and Germany have undertaken special measures to strengthen the domestic markets for their own producers, but for the entire season these measures are not likely to reduce their takings very much below what they would have been without such measures. Larger corn crops in the Balkan countries are releasing larger supplies of wheat for export from those countries and in Italy will reduce somewhat the consumption of wheat. Considering all these factors it is possible that the European takings of overseas wheat in our marketing season, July 1 to June 30, will be reduced by 50 to 100 million bushels.

Non-European countries are also likely to reduce imports. Not much change is to be expected in the takings of the Central and South American countries. The Orient has taken a fairly good share of the shipments in the first half of the season but, with fairly large stocks of flour in China, takings for the remainder of the season are likely to fall considerably short of the amount taken in the corresponding months of the past season. It is possible that non-European takings for the season, which last year amounted to about 225 million bushels, will be reduced to about 160 millions for the present season.

The Balkan and Southern Hemisphere countries have furnished a large share of the international trade in wheat in the first half of the season. Recently the shipments from these sources have been reduced. Small crops have greatly reduced the exportable surpluses in the Southern Hemisphere and not much remains to be shipped from the Balkan countries. Consequently, during the remainder of the season the importing countries must turn to North American countries for a larger share of their supplies.

It seems likely that the world's visible supply has reached its peak for the season. Much has been said about the large visible supply on November 1, which amounted to 563 million bushels. The peak in the past season was 566 million bushels on January 1, after which the visible declined rapidly to 351 million bushels by the first of July. Since a larger part of the world visible supply is in North America and the visible stocks in the United States have declined about 15 million bushels in the past six weeks, it is probable that the January 1 visible supply will be less than it was a year ago.

The weekly shipments from surplus producing countries have recently fallen below what would be normally required to meet the needs of importing countries. In the last few weeks they have been averaging under 15 million bushels per week. These relatively small shipments have resulted in a considerable reduction in the amount of wheat afloat and a clearing up of congestions at Continental European ports. These conditions are preparing the way for a stronger market and ultimately more wheat must be moved.

Table 1.- WHEAT: World supply, price and disappearance,
1923-1929

Year	Production						All other <u>b/</u>
	United States	Canada	Argentina	Australia	Europe <u>a/</u>		
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1923-24	797	474	248	125	1,257		650
1924-25	864	262	191	165	1,053		610
1925-26	676	395	191	115	1,297		667
1926-27	831	407	221	161	1,320		596
1927-28	878	480	239	118	1,358		678
1928-29	915	567	340	160	1,409		552
1929-30 ^{c/}	807	294	175	112	1,408		619
	World production <u>b/</u>	Shipments from Russia	Stocks accounted for July 1	Total supply	Total disappearance		Average price per bushel British parcels
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1923-24	3,551	21	305	3,877	3,528		121
1924-25	3,150	1	349	3,500	3,209		179
1925-26	3,441	27	291	3,759	3,484		170
1926-27	3,426	49	275	3,750	3,403		164
1927-28	3,661	5	347	4,013	3,570		154
1928-29	3,943	0	443	4,386	3,773		129
1929-30	3,415	0	613	4,028	3,650	(150 - 160)	

^{a/} Excludes Russia.^{b/} Excludes Russia and China.^{c/} Preliminary.

World Production and Crop Conditions

Reports during the past month have not indicated any material change in the estimate of the world production outside of Russia and China, the world's crop is now estimated to be about 3,415,000,000 bushels compared with 3,943,000,000 bushels in the past season, and an average of 3,524,000,000 bushels in the past five years. Forecasts and estimates of production in 37 countries received to date total 3,113,000,000 bushels, compared with 3,486 millions last year. These countries do not include Argentina which will probably produce about 175 million bushels, compared with 340 millions last year, and an average of 236 millions in the past five years. Some further changes in estimates are likely to be made before the end of the year. The outturn of the Argentine crop is still somewhat uncertain. Mr. Dawson, our Berlin representative, believes that the German crop is underestimated by about 5 million bushels and the French crop by about 15 million bushels. On the other hand, he considers that the Italian crop is overestimated by 15 million bushels. However, it is not believed that all such changes will make any material change in the estimate of the world's crop.

The distribution of production is very different from what it was a year ago. The surplus producing countries have smaller crops and many of the deficit producing countries larger crops. The European crop is now estimated to be about the same as a year ago. France, Italy and Spain have large crops, considerably in excess of the crops harvested a year ago, while the Balkan and some of the northern countries have smaller crops. The North African crop is somewhat larger than a year ago, amounting to 119 million bushels, as compared with 104 millions a year ago. In this connection it should be noted that the figures previously published for Algeria were erroneous, representing not all of the country. The production in that country is estimated at 34 million bushels against 30 million bushels a year ago. The production of the principal exporting countries, the United States, Argentina and Australia, amounts to about 1,387 million bushels, as compared with 1,981 millions last year, a reduction of about 600 million bushels.

It is now time to begin to look forward to the next crop. In Canada the autumn rainfall exceeded that of a year ago but was still below normal. Analysis of the relation of Autumn weather conditions to the outturn of the crop indicates that the 1930 spring wheat crop of Canada is not likely to be above average. Weather conditions have likewise been unfavorable to the development of the wheat crop in our far Northwestern States. Our Agricultural Commissioner in Berlin believes that the European acreage has been expanded to some extent. It is reported that the Russian winter grain area has been increased 3.8 per cent. This figure of course includes both wheat and rye. The condition of the growing crop in Germany as of the first of December was above average but not so good as a year ago. Little is known about conditions in other countries.

Carryover and Stocks

As previously indicated, the 1929-30 marketing season began with larger stocks than existed at the beginning of the previous marketing season. The carryover in the United States, added to the visible supply in Canada, the estimated total stocks in Australia, the exportable surplus in Argentina, and port stocks and floating supply for the United Kingdom, as of July 1, totals 613 million bushels as compared with 443 millions July 1, 1928, an increase of 170 million bushels. Taking these figures to represent the change in carryover, the total world supply for the 1929-30 season is about 360 million bushels less than the supply available for the 1928-29 season.

A statement of the carryover and surplus stocks as of July 1, 1928-1929 in the principal exporting countries, together with some indication of probable carryover or surplus stocks on July 1, 1930, is presented below. In the case of the United States these figures represent the stocks accounted for in all positions. In the case of Canada, Argentina and Australia they represent wheat available on July 1, for export, and carryover at the end of the marketing seasons of the respective countries. It will be observed that computing carryover and stocks upon this basis makes little change in the relation between the carryover July 1, 1929 and July 1, 1928. The estimates for July 1, 1930 are based upon estimated requirements and estimated exports for the entire season or the remainder of the present season. It seems likely that the carryover in these positions on July 1, 1930 will be at least 200 million bushels less than on July 1, 1929.

Table 2. Wheat: Carryover or stocks accounted for July 1, 1928 and 1929, and probable carryover or stocks, July 1, 1930

Position	1928	1929	1930 (Probable)
	Million bush.	Million bush.	Million bush.
United States	128	245	160 - 180
Canada ^{a/}	114	125	60 - 80
Argentina ^{a/}	78	114	25 - 45
Australia ^{a/}	30	33	20 - 30
United Kingdom, port stocks and floating supply	60	61	50 - 60
Total	410	578	315 - 395

^{a/} Only surplus for export or carryover at end of season.

Argentina and Australia

Weather and crop reports indicate that the wheat crops of Australia and Argentina probably will amount to a little less than 300 million bushels, as compared with 500 millions harvested last year and a five-year average of 380 million bushels. The carryover of old wheat in these two countries on January 1, 1930 may amount to 20 to 30 million bushels or about the same as on January 1, 1928, but more than on January 1, 1929.

The Argentine crop now appears likely to be only about one-half as large as that of a year ago, and the crop is reported to be of poor quality, whereas the previous crop was of good quality. Our estimate of the Argentine crop is explained at length later in this report. Assuming that the Argentine crop turns out to be about 175 million bushels and the carryover of old wheat approximately 20 millions, the exportable surplus from Argentina would be about 110 million bushels, as compared with the export of over 250 million bushels in the past year. How much of this surplus will be shipped in the next six months, is a question of some significance. Reviewing Argentine shipments for a number of years, excluding the war years, it will be noted that the exports in the first six months of the year have varied from about 57 per cent to 89 per cent of the total for the year. This is a wide range and would indicate the possibility of the exports in the next six months ranging from about 60 to 90 million bushels, as compared with the actual exports of 153 million bushels in the corresponding period of the past season. It seems more likely that the shipments will be between 70 and 80 million bushels, leaving a surplus on July 1 of 25 to 45 million bushels for export and carryover at the end of the season.

The latest information indicates that the Australian crop is about 112 million bushels and there may be some carryover of old wheat. Assuming a carryover of 5 million bushels old wheat, the supply at the beginning of the season would be 117 million bushels; and allowing for domestic disappearance of about 50 millions, the surplus for the year would be 17 million bushels. Trade estimates generally indicate that the surplus will not be over 60 millions. The shipments of Australian wheat in the first half of the season have varied from 59 to 85 per cent of the total, which would indicate an export of 40 to 57 million bushels in the first half of the year, as compared with 77 millions shipped in the corresponding period of last year. It seems more likely that the exports will fall between 45 and 55 million bushels and that the surplus stocks on July 1 will be 15 to 20 millions as compared with 33 millions in 1929 and 30 millions in 1928.

Canada

The Canadian estimate of 294 million bushels, as compared with 567 millions produced last year, seems about correct. The Northwest Grain Dealers Association accounts for 272 million bushels in the Prairie Provinces. It is estimated that farmers have in hand to be marketed in the remainder of the season only about 24 million bushels.

The Canadian visible supply is large. Since the amount remaining in producers' hands is very small, the visible supply probably will not continue to increase to any extent.

The lakes have closed with about 80 million bushels of wheat at Eastern points and about 13 millions at Pacific ports. Only small amounts will be moved from the interior by rail before the lakes open in April. Last year Canada had about the same amount of wheat at these ports when the lakes closed and exported 83 million bushels in the period January through April. After the Lakes open, exports will move more freely and the total shipments for the season may amount to 220 to 240 million bushels, leaving a carryover or surplus on July 1 of 60 to 80 million bushels, as compared with 125 million bushels last year.

The United States

The change in the estimate of the wheat crop of the United States from 792 millions to 807 million bushels has but little effect upon the wheat situation in general. The changes are mostly in states which indicate somewhat larger supplies of hard red winter wheat. The bulk of the crop has been marketed. The exports to date are about 10 million bushels short of exports in the corresponding period of the past season. The visible supply of wheat is still large but declining. Stocks in public elevators and afloat, as reported to the Department of Agriculture, declined about 12 million bushels in November and continued to decline in December. While the public elevators at many terminal markets are still well filled, the congestions that depressed cash markets below futures have disappeared.

Considering the great reduction in exportable surpluses from the Southern Hemisphere and also the smaller supplies available from Canada, it is not unlikely that the United States will find an opportunity to export large amounts in the latter half of the season. In reviewing the past years free from war disturbances, it will be observed that the exports in the latter half of the season have varied from 44 to 25 per cent of the exports for the entire season. In no recent year has the world situation been more favorable than at present for heavy exports in the latter half of the season. It seems quite reasonable to expect that exports from the United States in the latter half of the season may exceed the exports of the season to date, and that the carryover in the United States will be reduced from 245 millions to a figure somewhere between 160 and 180 million bushels.

Table 3.- WHEAT, DOMESTIC: Stocks in store and afloat, United States markets, October 5, 1928 - January 25, 1929 and October 5 - December 14, 1929

Week ended	Stocks		Increase over previous week	
	1928	1929	1928	1929
	: 1,000 bushels :	: 1,000 bushels :	: 1,000 bushels :	: 1,000 bushels :
Oct 5	123,797	199,157	8,328	1,714
12	128,989	200,517	5,192	1,360
19	134,706	201,023	5,717	506
26	138,486	202,620	3,780	1,597
Nov 2	139,493	202,461	1,007	161
9	139,670	199,529	177	-2,932
16	138,369	197,907	-1,301	-1,622
23	138,908	192,895	539	-5,012
30	140,172	189,926	1,264	-2,969
Dec 7	139,830	188,801	-342	-1,125
14	141,349	a/ 187,970	1,519	-831
21	142,092		743	
28	144,351		2,259	
Jan 4	142,326		-2,025	
11	138,685		-3,641	
18	134,804		-3,881	
25	133,262		-1,542	

Compiled from commercial grain stocks in store in principal United States markets, as reported to the market news service of the Bureau of Agricultural Economics.

a/ Preliminary.

Exports and Carryover of Principal Exporting Countries

The probable exports for the latter half of the season and the carryover at the end of the season in the principal exporting countries are summarized below:

WHEAT INCLUDING FLOUR: Probable exports for the season 1929-30, and probable carryover, July 1, 1930

Countries	Probable exports season 1929-30	Probable exports Jan 1 - June 30, 1930	Carryover or surplus stocks, July 1, 1930
	: Million bushels :	: Million bushels :	: Million bushels :
United States	230-250	145-165	160-180
Canada	220-240	130-150	60- 80
Argentina	195-210	70- 90	25- 45
Australia	65- 75	45- 55	20- 30
Total	710-775	395-460	265-335

The situation with respect to the Balkan countries is dealt with in the special report upon European countries.

Table 4.- WHEAT INCLUDING FLOUR: Shipments from principal exporting countries

Country	Total shipments or exports		Shipments, week ended			Net movement from July as far as reported		
	1927-28	1928-29	Nov	Nov	Dec	To and	1928-29	1929-30
		a/	23	30	7	incl.		
	1,000	1,000	1,000	1,000	1,000		1,000	1,000
	bush.	bush.	bush.	bush.	bush.	Date	bush.	bush.
Canada:								
Shipments, 4								
markets b/...	333,335	458,649	9,649	9,385	6,555	Dec. 7	295,260	114,131
United States	206,259	163,687	2,673	2,170	3,665	" "	86,974	77,341
Argentina.....	178,135	217,903	2,068	1,216	3,341	" "	52,343	92,321
Australia.....	72,962	114,272	824	192	520	" "	23,839	20,140
Russia	5,408	8	0	0	0	" "	8	0
Danube & Bulc/	32,847	33,842	680	832	736	" "	1,764	12,544
British India	15,668	d/21,739	0	0	0	" "	296	d/327
Total ,.....	844,614	966,622	15,894	13,795	14,817		460,524	316,150

Compiled from official and trade sources.

a/ Preliminary.

b/ Shipments from Ft. William, Port Arthur, Vancouver and Prince Rupert.

c/ Yugoslavia, Rumania, Hungary and Bulgaria.

d/ Net imports.

The Demand for Wheat

With a smaller crop and higher prices it is not to be expected that the world's consumption of wheat will equal that of the past year. Low prices in the past season greatly encouraged consumption. The world's disappearance in the past season amounted to about 3,770 million bushels, as compared with 3,570 millions in the preceding year and 3,400 millions on the average in the five preceding years. The fact that British parcels prices averaged only 129 cents per bushel is a very important factor in effecting this large disappearance. In estimating consumption for the 1929-30 season, we must also take into account the fact that the world's demand for wheat seems to be increasing at the rate of about 70 million bushels per year. At present it appears that prices for the season may average about the same as in the 1928-29 season. It would appear, therefore, that the world's disappearance in the 1929-30 season may be approximately 3,600 to 3,650 million bushels. This would reduce the accounted for carryover by about 200 to 250 million bushels.

The demand for wheat in some European countries has been reduced by larger corn crops. Large rye crops and low prices in many of the north European countries also tend to curtail the demand for wheat. The potato crop may have some effect upon the demand for wheat in some countries. The crop is short in Germany but large in several other countries.

Much has been said about higher duties in certain European countries and other attempted restrictions upon imports. They will have some effect, but in this connection it is of interest to note that the United Kingdom, the Netherlands and Denmark are large importers who produce but very little wheat of their own, impose no duties and have no other restrictions upon consumption. France has a large crop which is reported to be about equal to domestic requirements, but in the first three months of the season her net imports of wheat including flour have amounted to 18 million bushels. The 3 per cent milling requirements for the remainder of the season would bring the net imports for the season to over 20 millions, and for certain purposes more than 3 per cent can be mixed with domestic wheat. The principal effect of the German regulations is likely to be the consumption of their own crop earlier in the season. The Export Certificate System, together with the requirement that 50 per cent of domestic wheat be used in milling until the end of January, strengthened the market for domestic wheat. Some has been exported. Larger quantities have been consumed so that farmers report 25 million bushels less on hand for sale than they had a year ago. This reduction in domestic supplies will have to be made up by larger imports in the latter half of the season. Considering all available data, it appears that European imports for the season will be only about 50 to 75 million bushels less than in the past season.

The Orient

In the season to date the Orient has taken about as much wheat as in the corresponding period of the past season, and the prospect for marketing wheat from the United States in the Orient is better than it was a year ago because of lessened competition from low grade Canadian wheat. Consul Sturgeon reports from Tokyo that prospects are favorable for the purchase of American wheat owing to high-priced Canadian wheat and the high price and poor quality of Australian middle grade wheat. Mill stocks, however, are somewhat larger than normal and the export demand for flour milled in Japan is only fair. The Tientsin flour market is still overstocked. However, arrivals are expected to continue to decrease. It is reported that no orders are being placed for future delivery. These conditions indicate a dull market for a period with some increase in activity toward the end of the season. Commissioner Nyhus reports that Shanghai mills have practically finished the grinding of available supplies of domestic wheat and are watching quotations for opportunities to buy foreign wheat. The Shanghai flour market has been strong since many of the mills have closed. Doubtless the takings of the Orient in the remainder of the season will be less than a year ago.

European Imports

A table of European imports in the past season, estimates for the current season, and imports reported to date is presented on next page. The estimates of probable imports for the season are based upon an analysis of data as to production, imports and prices in recent years, and judgment based upon the observations of our representatives abroad.

Table 5.- Wheat including flour: Net imports into principal importing countries, year beginning July 1, 1928.

Country	Net imports reported					
	1928-	Preliminary:	July 1	1928-	1929-	
	1929	estimates	to	1929	1930	
	Million	Million		Million	Million	
	bushels	bushels		bushels	bushels	
United Kingdom	204	195 - 210	Oct 31	63	84	
Italy	82	55 - 65	Oct 31	27	10	
Germany	66	75 - 85	Oct 31	29	25	
France	51	20 - 30	Sept 30	13	19	
Belgium	41	42 - 45	Sept 30	11	12	
Netherlands	29	33 - 35	Oct 31	10	11	
Czechoslovakia	17	13 - 17	Oct 31	7	6	
Greece	22	13 - 18	Sept 30	4	5	
Irish Free State	18	18 - 19	Aug 31	3	3	
Austria	14	14 - 17	Sept 30	3	3	
Switzerland	15	16 - 19	Oct 31	5	8	
Sweden	8	7 - 9	Oct 31	3	3	
Norway	9	7 - 9	Sept 30	2	2	
Denmark	17	10 - 12	Sept 30	3	2	
Finland	6	6 - 7	Sept 30	1	2	
Poland	4	2 - 6	Sept 30	2	a/	
Spain	a/ (15)	0 - 1				
Estonia	1	1 - 2	Sept 30	a/	a/	
Latvia	3	2 - 3	Sept 30	1	1	
Total	624	537 - 606		187	195	

a/ Unofficial.

OCEAN FREIGHT RATES CONTINUE AT LOW LEVEL

The lack of a strong demand for export grain during the past six months has been reflected in the low level of ocean rates on wheat from the United States and other grain producing countries to European markets. The present rates on grain are very near the 1913 level.

Ocean rates on grain are highly competitive; the rates being determined, on the one hand, largely by the supply and demand for export grain and, on the other hand, by the supply and demand for ocean tonnage. Thus, a heavy export movement will tend to advance the rates, with the grain shippers bidding for cargo space, while a slackening in the export movement means a lessened demand for ocean tonnage and places the steamship carriers in the competitive position of seeking parcels and cargoes of grain for their vessels.

The ocean rates on grain to the United Kingdom from the United States and other grain exporting countries during the month of October, 1929, with a comparison of rates for the corresponding period in 1928 and in 1913 are shown in the following tabulation compiled from the reports published by the International Institute of Agriculture and other sources indicated:

Table 6.- Ocean freight rates on wheat to the United Kingdom in October, 1913, 1928 and 1929.

From -	Oct 1913	Oct 1928	Oct 1929
	Cents per bushel	Cents per bushel	Cents per bushel
<u>United States:</u>			
Northern Range to U.K. (and Continent) <u>a/</u>	7.30	6.84	<u>b/</u>
New York to Liverpool.	5.07	8.11	4.56
New Orleans (Gulf to U.K.)	9.12	10.90	8.36
North Pacific ports (via Panama Canal)	<u>c/</u>	18.90	15.89
<u>Canada:</u>			
Atlantic coast to U.K.	(7.60	<u>d/</u> 10.64	<u>b/</u>
Montreal to Liverpool . . . . .	(	8.62	5.79
<u>Argentina:</u>			
Down River ports to U.K.	7.30	13.52	8.31
Up River ports to U. K.	8.80	14.50	9.40
<u>India</u> (Karachi) to U.K.	11.73	12.71	<u>b/</u>
<u>Australia</u> to U. K.	<u>e/</u> 20.37	<u>d/</u> 26.56	<u>d/</u> 19.55

Compiled from reports of the International Institute of Agriculture, Rome.

a/ Average of North Atlantic ports, including New York.

b/ No quotation.

c/ Panama Canal was not officially opened until August 15, 1914.

d/ Cargoes.

e/ Sailing vessels.

Prices

The advance in cash wheat prices forecast a month ago is underway, but large available supplies in the United States tend to hold the advance in check or cause recessions after marked advances.

The prices of all classes and grades of wheat in the United States dropped to a low point in the middle of November, averaging 115 cents per bushel, advanced 15 cents in three weeks, and then dropped 8 cents in one week. The marked drop in November was caused mainly by the crash in the stock market, and the rise was due in part to recovery from that panic and to reports indicating a material reduction in the Argentine crop. The recession from the high point reached early in December has been largely a reaction from the marked advance. The fundamental supply and demand conditions have not changed in the past few weeks.

The relation of cash prices to futures is materially improved. Apparently the depressing influence of congested terminals has disappeared. In November the average of cash prices of basic grades upon the principal markets was in excess of the price of the near futures. This is normal inasmuch as the average of cash prices includes premium wheats. The spread between the near and the distant futures has also been reduced to a more nearly normal basis.

The relation of prices in the markets of the United States to those in foreign markets has become more favorable to exports. This point is developed in the report submitted by our Berlin office, in which it is shown that the prices of domestic wheats in the markets of several European countries have increased in relation to prices in the markets of the United States. The small Canadian crop has resulted in relatively high prices for Canadian wheat, and reports from the Orient indicate that price quotations there are favorable to the importation of wheat from the United States rather than from Canada.

In reviewing the attached table of prices in the United States and important foreign markets, it should be noted that the character of the wheat deliverable upon contract, as well as transportation and supply relations, cause differences in prices. A review of recent prices in the Liverpool market, for example, indicates that the December future in November was fairly closely in line with the price of Rosafe wheat from Argentina. The transportation cost from Argentina to the United Kingdom in October varied from about 8 to 10 cents per bushel, and consequently the Buenos Aires near futures are about that much below the Liverpool near futures. Since the rates in October were unusually low, the ordinary price spread between Buenos Aires and Liverpool would be greater than indicated by the November quotations. It will be noted that Winnipeg futures are above Liverpool. The Winnipeg future calls for the delivery of No. 1 Manitoba, whereon No. 3 Manitoba is deliverable at a discount of 8 cents per bushel. In Liverpool during November No. 3 Manitoba arranged about 16 cents per bushel above the December futures and the Argentine wheat. At the end of November No. 1 northern Manitoba wheat in Liverpool was about 23 cents above the Liverpool future, and this is not far from the cost of transportation from the head of the Lakes to Liverpool. It will be noticed that December futures at Kansas City in November were 9 to 12

cents under Liverpool. The transportation charges on wheat from Gulf ports is about 8 cents. In Kansas City No. 2 hard winter is deliverable upon contract. No. 2 hard winter wheat at Liverpool in November averaged about 3 cents over the Liverpool future, indicating that Kansas City and Liverpool prices were fairly closely in line upon an export basis from Kansas.

Past supply and price relations indicate that the world supply as reported to date might be expected to result in British parcels prices for the season averaging about 162 cents per bushel, on the basis of the 1928 price level. But the depression in the stock market and reduction in general price level which has taken place are likely to cause prices to average below what might be expected on the average. For the present we are assuming that prices may average 5 per cent below what might be expected, or around about 154 cents per bushel, as compared with 129 for the past season. In this connection it is of interest to note that at the low point on November 13, when Liverpool futures were selling on the basis of 120 cents per bushel, No. 3 northern Manitoba was selling at about 135 cents a bushel by the end of the month had risen to 154 cents per bushel and No. 1 northern Manitoba was selling at the equivalent of 159. Undoubtedly the high prices paid for Canadian wheat will be a factor in maintaining the average price in the British markets.

Developments in the past few weeks have not changed the outlook for prices of the several different classes of wheat in the United States. The spring wheat markets continue very weak. Although the supply of durum wheat in the United States is but slightly larger than domestic requirements, the price of this class of wheat continues on a low level. Apparently the foreign demand has been very weak for the season to date as very little has been exported even at these low prices. Since the Canadian crop also appears to be small, it is still possible that the foreign demand for durum from the United States will increase toward the end of the season. Hard red spring wheat continues on a higher level than the hard winter wheat, but the large supply of hard winter wheat is apparently a factor in holding the price of the No. 1 dark northern spring wheat about on a level with the price of comparable grades of spring wheat in Canada. Should conditions continue to be unfavorable for the 1930 spring wheat crop in Canada, the price of hard red spring wheat is likely to be well maintained, and may advance materially toward the end of the season. The price of soft red winter continues above that of hard red winter but somewhat below the average for the past season. This is to be expected because the soft red winter wheat crop is considerably larger than that of the past season, but still only about equal to domestic requirements.

As expected, the large surplus of hard winter wheat continues to hold that class of wheat closely to an export basis. The prices of this class of wheat for the remainder of the season will be determined by changes in the world market price level. Improvement in European demand probably will cause prices to rise in the next two months. The course of prices for the remainder of the season will depend largely upon the outlook for the new crop. The prospect of heavy winter killing would maintain prices but should winter killing seem likely to be only about normal or less than normal, prices might decline for a period at least. The prospect of another world crop no larger than the 1929 crop would cause an upward trend in prices toward the end of the season, while a larger crop might cause a downward trend.

Table 7.- WHEAT: Closing price of December and May futures

Date	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires a/
	1928	1929	1928	1929	1928	1929
	Cents	Cents	Cents	Cents	Cents	Cents
	<u>December futures</u>					
Nov 7	114	123	108	117	110	126
14	116	116	110	111	111	120
21	117	124	110	118	112	127
28c/	115	124	109	119	111	127
	<u>May futures</u>					
Dec 5	122	138	115	130	116	137
12	122	133	115	126	116	133
19	121		114		115	123
26	121		114		115	123

a/ Prices are of day previous to other prices. b/ February futures.
c/ 1929 prices are as of November 27.

Table 8.- WHEAT: Weighted average cash prices at stated markets

	All classes:	No. 2	No. 1	No. 2	No. 2	Western
Week:and grades	hard winter:	dk.n.spring:	Amber durum:	red winter:	white	
ended:six markets:	Kansas City:	Minneapolis:	Minneapolis:	St. Louis:	Seattle a/	
	1928	1929	1928	1929	1928	1929
	Cents	Cents	Cents	Cents	Cents	Cents
Nov 1:	110	121	112	119	124	128
8:	103	120	110	118	112	130
15:	109	115	113	113	123	125
22:	110	123	114	120	125	130
29:	109	125	114	121	125	132
Dec 6:	109	130	113	125	124	138
13:	107	122	111	120	121	130
20:	107		111		123	110
27:	106		110		120	109

a/ Weekly average of daily cash quotations basis No. 1 sacked 30 days delivery.

Canadian pool marketings and prices

The Canadian pool has recently released a report on the past season which shows deliveries to the pool and sales monthly throughout the season. The report presents some interesting data for consideration with reference to sales policies and prices. The data are submitted below in connection with receipts at country elevators and platform loadings, exports of wheat, and the monthly average price of No. 3 northern at Winnipeg.

Apparently the pool distributed sales more evenly than the average producer, if producer sales are to be judged by receipts at country points. It will be observed that three-fourths of the marketings for the season were delivered at country points in the first three months of the season. In these three months the pool received 150 million bushels, but sold only 77 million bushels. The pool received in all 244 million bushels and sold less

than one-third of this amount in the first three months of the season. The balance was distributed throughout the remaining nine months.

Reviewing the average monthly prices of No. 3 northern wheat at Winnipeg, it is obvious that the average return for the season could vary greatly with different sales policies. During the period when three-fourths of the wheat was delivered at country points, the monthly prices ranged from 106.5 to 111.2, and for the season ranged from 106.5 to 152.2. In the month of highest prices, July, only 2 million bushels were delivered to the pool and 4 million bushels were received at country points, but the pool sold 14 million bushels thus helping to raise materially its average for the season. Selling wheat as delivered to the pool, at the average prices of No. 3 northern at Winnipeg, would have brought an average of about 111.3 cents for the year, and as delivered at country points, an average of 111.9 cents. Following the distribution of the pool's sales, the average would have been 115.5, and the exports 114.9.

Hindsight is always better than foresight, but it is obvious that had one been able to forecast the course of prices through the season fairly accurately, sales could have been adjusted so as to have brought even higher prices than what could have been realized by the pool distribution of sales. For example, heavy sales in September pulled down the average. This was offset to some extent by light sales in May when prices were low. In making this observation, however, the cost of holding should not be overlooked. With a very large crop it was necessary to move a considerable part of the crop early in the season. Somewhat heavier sales, however, in February, March, July and August would have raised the average returns for the season.

Table 9 .- CANADA: Marketings, exports and prices of wheat, 1928-29

Month	Deliv- eries to pool	Receipts at country elevators from platform loadings	Pool sales	Exports of wheat includ- ing flour	Price of No. 3 northern at Winnipeg
	Million bushels	Million bushels	Million bushels	Million bushels	Cents per bushel
1928					
Sept	27	134	30	31	106.5
Oct	69	106	25	49	111.0
Nov	62	107	22	81	111.2
Dec	42	44	22	53	108.7
1929					
Jan	17	17	18	25	112.4
Feb	6	17	16	20	119.7
Mar	8	21	16	27	119.2
Apr	5	9	13	10	115.0
May	2	5	5	31	106.8
June	3	8	20	30	112.4
July	2	4	14	21	152.2
Aug	1	14	4	13	151.8
Total	244	466	a/ 205	391	b/ 113.9

Compiled from The Canadian Wheat Pool Annual Report, 1928-29, issued November 28, 1929 and Canadian Grain Statistics.

a/ Carryover August 31, 1929 was 48 million bushels.

b/ Simple average.

The Continental European wheat market situation during November 1929 a/

The relation of wheat prices in Continental European markets to prices in the United States improved in November, indicating a tendency toward an improvement in the demand for wheat from this country. This improvement is attributable to the passing of the season of the heaviest marketings of domestic wheat, some reduction in port stocks, a material reduction in the surpluses remaining in the Danube countries and smaller receipts from Argentina.

Domestic wheat prices on the Continent of Europe generally declined during the first half of November, but the movement was less extensive than in the United States so that the price parity of American wheat, relative to wheat in European import markets, improved. This resulted in increased takings from overseas sources around the middle of the month, which was followed by a change in the price-relationship in favor of domestic wheat, prices of which increased during the second half of the month b/ but to a less extent than in America. Nevertheless, except for such temporary changes, price comparisons over longer periods clearly indicate that domestic wheat quotations have risen compared with American and therefore improved the import position of the latter.

a/ Based on report by Assistant Agricultural Commissioner Owen L. Dawson, Berlin, Germany, prepared November 27, 1929, and brought up to date by cables to December 12.

b/ France excepted, where prices continued to decline slightly.

Table 10 -- PRICE PER BUSHEL - SPREAD CHICAGO - EUROPE

	:	<u>BERLIN</u>	:	<u>PARIS</u>	:	<u>GENOA</u>	:	<u>VIENNA</u>	:	<u>HUNGARY</u>	:
	:	"Markischer	:	Domestic	:	Domestic	:	"Vienna Boden:	:	Tisza wheat	:
Date	:	Wheat "	:	wheat	:	wheat	:	wheat", spot	:	79/80 kg.	:
	:	Spot	:	nearest	:	nearest	:	:	:	spot	:
	:		:	month	:	month	:		:		:
<hr/>											
	:		:	above (+) or below (-) Chicago.					:		:
	:	<u>Cents</u>	:	<u>Cents</u>	:	<u>Cents</u>	:	<u>Cents</u>	:	<u>Cents</u>	:
	:		:		:		:		:		:
Sept 7	:	+ 14.6	:	+ 21.1	:	- 14.8	:	- 5.4	:	- 5.9	:
Sept 21	:	+ 15.6	:	+ 26.8	:	- 9.0	:	- 4.1	:	- 6.1	:
Oct 11	:	+ 17.3	:	+ 20.5	:	- 11.2	:	- 10.8	:	- 9.3	:
Oct 24	:	+ 21.9	:	+ 29.2	:	- 3.6	:	+ 3.0	:	+ 6.4	:
Nov. 2	:	+ 16.4	:	+ 27.8	:	- 6.6	:	- 5.7	:	- 1.4	:
Nov. 9	:	+ 25.0	:	+ 33.7	:	- 2.4	:	- 1.8	:	+ 3.5	:
Nov 16	:	+ 30.6	:	+ 34.6	:	- 0.1	:	+ 4.6	:	+ 9.9	:
Nov 22	:	+ 32.9	:	+ 26.0	:	- 4.1	:	- 1.3	:	+ 4.0	:
Nov 29	:	+ 32.8	:	+ 25.7	:	- 1.7	:		:		:

While this year the price-spread shows clearly a relative increase in European prices compared with American during September/November, developments during the same period last year were adverse. The setback during the second half of November, 1929, is indicative of the fact that domestic European supplies available for sale are still important, though considerably reduced by heavy marketing in recent months.

Business on Continental wheat markets was restricted during the first half of the month with flour business in important consuming regions likewise unsatisfactory. The heavy price-decline of American wheat around the middle of the month resulted in rather active Continental purchases from overseas, but also from domestic surplus regions which were, however, neglected compared with the former. Fairly large quantities of Danubian wheat were sold during the month, and shipments ran heavy. Trade and port stocks of wheat have declined through the month, and port stocks, though still rather important, are by no means near to capacity.

Rye prices in Central Europe continued to decline considerably until the middle of the month, when, particularly as a result of prospective measures by the German government, an increase in prices took place - an increase which also reflected the generally upward tendency in feed grains.

The demand for feed grain was restricted during the first half of November with prices of corn and barley tending downward. The improved bread grain situation, however, influenced the feed grain market quite favorably after the middle of November. Transactions in corn and feed barley were rather important following November 15 and prices increased moderately. In Germany an increase of the feed barley duty is expected and this stimulated the import market to some extent. Oats which were neglected at the beginning of November also showed a slight improvement. The Danube surplus countries continued to ship large quantities of feed barley to Northern Europe; exports from the abundant corn crop have not yet reached a high level but improved recently. Weather was generally mild so that cattle could stay on pastures in large parts of Europe. Favorable growth as a result of the fine autumn partially alleviated the fodder shortage.

Estimates of the Continental wheat crop are but little changed. A new estimate of the Agricultural Council induces us to increase our estimate of the German crop to our early private estimate (July and August) of 110,000,000 bushels. Quality reports for this year's continental wheat crop are favorable and continue to indicate that the quality in some cases may be superior to that of last year. The Continental wheat crop seems to be about $1\frac{1}{2}$ per cent below last year or about 10 per cent above the average 1924-1928.

Table 11.- Estimates of the Continental European wheat crop, 1927-1929, and average 1924-1928

Country	Average 1924-1928	1927	1928	1929
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Germany	112,991	120,522	141,593	a/(121,253)
Italy	211,208	195,609	228,596	b/(246,180)
France	280,140	276,128	281,285	c/(334,364)
Belguim	14,910	16,277	17,986	15,995
Netherlands	5,886	6,157	7,336	4,666
Czechoslovakia	40,876	47,203	51,499	48,065
Switzerland	3,852	4,119	4,270	d/ 5,791
Greece	11,481	12,970	13,085	13,981
Austria	10,695	11,960	12,915	11,582
Denmark	9,200	9,408	12,214	(10,288)
Poland	54,826	61,093	59,219	60,259
Sweden	13,460	15,835	19,155	18,724
Norway	594	605	798	729
Finland	941	1,064	998	1,095
Latvia	2,148	2,636	2,499	2,366
Estonia	859	1,079	1,037	1,268
Spain	139,136	144,825	119,884	149,251
Portugal	10,121	11,447	7,546	(9,186)
Total, 16 deficit countries:	923,324	939,137	981,915	1,055,043
Rumania	99,664	96,734	115,544	e/ (68,184)
Yugoslavia	73,541	56,568	103,294	94,982
Hungary	74,859	76,933	99,211	f/ (77,161)
Bulgaria	39,093	42,121	50,691	34,448
Total, 4 surplus countries:	287,147	272,356	368,740	294,775
Grand total, 18 countries:	1,210,471	1,211,493	1,350,655	1,349,818

Figures in parenthesis are estimates as made by Mr. Dawson, November 27. Since his report made October 24, Mr. Dawson has raised his estimate of production in Germany 5,500,000 bushels. The official estimates of production in Sweden, Norway and Finland are used in the above table which total about 650,000 bushels less than Mr. Dawson's estimates as of October 24. Only official estimates are used in the summary table of production on page 4.

a/ Official estimate is 115,584,000 bushels.

b/ Official estimate is 260,657,000 bushels.

c/ Official estimate is 319,863,000 bushels.

d/ Includes spelt and meslin.

e/ Official estimate is 99,758,000 bushels.

f/ Official estimate is 71,833,000 bushels.

No official estimates of production in Denmark and Portugal have been received.

Estimates of the deficit and surpluses of individual continental countries have been changed only in the case of Germany and Italy. The deficit estimate for Germany was reduced, because of an increase in the crop estimate and possibly increased competition of rye with wheat as rye prices are extremely low. The deficit estimate for Italy was reduced because of the belief that the competition of corn will be considerable and because of very low imports to date. The 1929-30 net wheat deficit of the European Continent (22 countries) is expected to range from 2 to 18 per cent below last year on basis of the following deficit and surplus estimates for individual countries.

The winter sowing campaign started rather late in most parts of the Continent as the drought of the late summer and early fall made the preparation of fields very difficult. This delay, however, was made up during October and early November when weather conditions were very favorable. The sowing campaign is now practically finished in all parts of the Continent. Germination is reported to be generally good and in sections very good. In some places the young plants are too far developed (as in parts of Hungary) and cooler temperatures are needed. Some observers believe the continental acreage of winter grain has somewhat increased; however, information at this date is rather meager to give much weight to such reports.

Germany

Germany's purchases of foreign wheat continued rather small during early November but improved during the latter part. Prices fluctuated early in the month but showed greater resistance to declines than in America. The last part of the month witnessed a decided improvement in prices. Decreased imports and farm marketings have greatly reduced the weight of stocks although the amount in trade channels is still somewhat large. The government order stipulating that mills must use at least 50% domestic wheat in October and November is thought to have been an important factor in support of domestic wheat prices especially in the early part of the month. The more decided upturn in prices later in the month is largely attributed to firmness in world markets. The probability that the order prescribing the milling of 50% domestic wheat would be prolonged for December and January also had an effect in sustaining domestic wheat prices. ^{a/} The large supplies of rye at low prices compared with wheat will to some extent reduce the demand for wheat chiefly as it applies to stock feeding but the effect of cheaper rye may be offset in part at least by higher potato prices.

The rye market has continued to be very weak. Prices recently have strengthened due to expected government relief measures. Stocks on the farm and in the channels of trade are abundant and the introduction of export bounty measures in Poland has also been an unfavorable factor. There is some possibility of the German government raising the duty on feed barley from 13.0 cents per bushel to 25.9 cents. This is a measure to induce the feeding of rye instead of barley and is expected to affect the hog raising districts of Northwestern Germany where imported barley for hog feed is important.

^{a/} Cable December 5 reported that operation of milling provision was extended to January 31.

The following table shows the development of domestic wheat and rye spot prices:

Table 12.- Germany: Price per bushel of domestic wheat and rye, October 2-December 11, 1929

Date	Wheat			Rye	
	Hamburg <u>a/</u>	Breslau <u>b/</u>	Berlin <u>a/</u>	Berlin <u>d/</u>	
	Cents	Cents	Cents	Cents	
October 2	156	145	145	109	
9	164	148	153	112	
16	163	148	151	106	
23	161	147	149	107	
30	160	145	147	104	
Nov 6	159	143	144	97	
13	154	144	144	96	
19	160	146	149	100	
27	167	154	157	103	
December 4	168	154	158	106	
11	163			100	

a/ Wheat of any German district of at least 58.7 pounds per Winchester bushel.

b/ Wheat of any German district in carloads of 370 bushels of at least 58.7 pounds per Winchester bushel.

c/ "Markischer" wheat of 58-59 pounds per Winchester bushel.

d/ "Markischer" rye of at least 56 pounds per Winchester bushel.

October imports of foreign wheat remained small, being 3,087,000 bushels as compared with 3,571,000 bushels in September 1929 and 9,071,000 in October, 1928. Exports of wheat increased from 1,122,000 bushels in September 1929 to 1,312,000 in October 1929, so that net imports were very small. During the period July-October 1929 net imports of wheat were about 3,500,000 bushels smaller than last year. It is likely that most of the foreign wheat stocks which were accumulated by the large imports during July have been absorbed by consumption. Arrivals at ports and at the Dutch frontier at the beginning and towards the end of October showed a slight increase but remained below the corresponding figures of last year.

Port stocks at Bremen have increased in November and are larger than the corresponding figures for last year, but were much smaller than during August and September 1929. The visible stocks of wheat in Berlin declined from 755,000 bushels on September 30 to 712,000 on October 31, compared with 813,000 bushels on October 31, 1928. The apparent disappearance of wheat in Berlin during October 1929 was about 10 per cent smaller than last year.

Trade stocks of rye decreased somewhat during October but remained very large as compared with last year. Exports of rye were very large and the export surplus was about 4,000,000 bushels for rye and rye flour for the period July to October.

The farm stock figures of the German Agricultural Council as of November 15 show that the total wheat stocks on farms as well as stocks available for sale (if the farmers do not change their minds) are about 25,000,000 bushels smaller than last year. The quantities to be used on farms seem to be fully as large as last year. This indicates that the share for feeding will also be about the same as last year, and inasmuch as the unfavorable rye price compared with wheat a/ will result in but small quantities of wheat being fed this year it seems that feeding of wheat last year was apparently less important than was indicated by trade reports. Total farm stocks of rye were about 1,500,000 bushels smaller than last year but stocks available for sale were about 4,000,000 bushels smaller which would indicate that farmers intend to feed considerable quantities of rye.

The final estimate of the German Agricultural Council indicates higher yields for wheat than the first Council estimate and the preliminary official crop estimate. The Councils estimate indicates a crop between 120,000,000 and 125,000,000 bushels. The Fall sowing campaign was finished under favorable weather conditions and evidently the delay caused by drought has not seriously affected the condition of the crops. The condition of the crop as officially reported was 109 per cent of the 1919-1928 average condition as of that date as compared with 112 per cent last year and 103 per cent in 1927.

France :

The prevailing trade sentiment in France during the larger part of the period was reported pessimistic concerning future price improvement, being chiefly influenced by the stock situation in North America and evidence of rather heavy domestic supplies. Recently a slightly more hopeful view is expressed in view of some easing in the Continental stock situation and reports of decreased exportable surplus in Argentina. The long discussed measures for relieving the unfavorable situation in the domestic wheat market have just been passed by the Senate b/. It is doubtful, however, to what extent they will improve prices of this year's crop and whether much wheat will be exported.

Prices of wheat have declined since November 12 but are now expected to strengthen on account of government measures and increased milling demand, which has been quite slow this season. The price comparison with Chicago at the close of the month was slightly more favorable than at the beginning but less favorable than last year, especially in view of the increased import duties on wheat this year.

Net imports of wheat from July to September have been greater than last year but for the whole season we do not expect them to exceed 50% of last year and if recent government measures enable exports this proportion may even be reduced. Marketings of farmers during the first part of the period were light but later, in fear of a price drop because of developments in America, greater quantities of wheat were marketed. Increased threshing following

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- a/ Prices of wheat are at present about \$14.05 per short ton higher than for rye so there appears to be a great inducement to feed rye instead of wheat this season.
- b/ The measure includes provisions that the government may regulate the proportion of foreign grain in flour and also raise duties by decrees.

completion of seeding was also a contributing factor in increased farm offers. As mills were reluctant buyers prices were forced down and at the close of the month were somewhat lower than at the beginning. In sympathy with the drop in wheat prices flour prices also fell off. Prices of corn and oats in France have moved much in sympathy with wheat prices.

Sowings in general are well advanced and will be completed by December 1. It is thought that the acreage exceeds a year ago despite expectations to the contrary, in view of farmers complaints against present wheat prices. The condition of the sown grain is apparently good.

Italy

The Italian wheat market was generally quiet the second half of October and during November with sales of domestic wheat moderate and import business nearly at a standstill but became more active in December. Hungarian wheat was offered at a lower price than overseas and was therefore preferred. Imports of grain remained very small; total imports for the period July-October only amounted to 9,774,000 bushels compared with 25,904,000 bushels for the corresponding period in 1928. The wheat price spread between Italian and American markets at the close of the month was considerably improved with the beginning of the month. Imports are expected to increase materially during the next few weeks but for the whole year, to fall much short of last year because of the good domestic wheat crop and the more available supply of other grain. Durum deficit small due to large increase in crop in southern Italy where durum is produced.

Netherlands and Belgium

The wheat market was rather quiet during the first half of November, but towards the end of October a temporary revival of the demand was noticed and since November 15 the market has been active. Prices picked up again recently, following a declining tendency up to the middle of November. There was some demand from Belgian and Dutch flour mills and the grain trade of Northwestern Germany made some purchases toward the end of October and was again an active buyer after November 15. Offers of Danubian wheat which have been of unusual importance until recently in Dutch and Belgian markets have fallen off and are expected to be light in the near future. German flour mills preferred Bahia Blanca. Hard winter, however, also became quite important recently. Port stocks at Rotterdam have decreased considerably since October and in Antwerp a slight reduction of port stocks also took place, but the volume is still large.

Trade opinions were very pessimistic until recently owing to the large visible stocks of wheat in overseas countries and the congestion in English ports. It seems now that trade opinion is getting somewhat more optimistic as to the market outlook.

Danubian Basin

Export business of wheat was less active during November compared with the previous month, but fairly large quantities were sold and the turnover became rather extensive during the second half of the month when a general revival of business was noticed on the Continent. Surplus supplies were further reduced as shipments were resumed extensively following the rise in the water level of

the Danube. Italy, Switzerland, and Greece were important customers, while the importance of Western Europe as a purchaser of Danubian wheat decreased due to price spreads between Danubian and overseas wheat in favor of the latter.

PRICE SPREAD PER BUSHEL, 1929

Hungarian Tisza Wheat, 51/62 pounds spot above (+)
or below (-)

Chicago Futures, nearest month

<u>Cents</u>			<u>Cents</u>			<u>Cents</u>		
Sept 6 :	- 5.86 :		Oct 4 :	-10.70 :		Oct 31 :	-1.42 :	
" 13 :	- 9.86 :		" 11 :	- 9.34 :		Nov 8 :	+3.50 :	
" 20 :	- 6.05 :		" 18 :	- 3.04 :		" 15 :	+9.91 :	
" 27 :	- 6.76 :		" 25 :	+ 6.37 :		" 22 :	+3.91 :	

While earlier in the season considerably below Chicago, Hungarian wheat rose gradually compared with North American and is now above Chicago quotations. It is to be noted that the position of American wheat compared with Danubian wheat has varied significantly during recent weeks. Continental buying of Danubian varieties was evidently affected by the price comparison with overseas. Whenever Danubian prices rose above the normal relationship with overseas, Continental imports from the Danube fell off and when they fell relatively lower than overseas imports were resumed. The reaction of Danubian wheat to these fluctuations seems to indicate surplus supplies still available and it is likely that somewhat improved price conditions may have increased the share of the crops available for sale ^{a/}, as the previous estimates of crops remain unchanged. The heavy movement of Danubian surplus wheat to date nevertheless indicates that supplies still available are not heavy compared with usual supplies.

Apart from these temporary changes in the price spread, developments through a longer period of time clearly show a price movement toward import parity for American wheat, with a price spread of - 11 to - 6 from the beginning of September to the middle of October, but from -3 to + 10 since October 15.

Wheat business in Danubian deficit regions, Austria and Czechoslovakia, was quiet with flour sales unsatisfactory. Considerable improvement, both for wheat and flour, was registered during the second half of November, as was the case practically everywhere.

Business in corn was limited, with good improvement in the Italian, Danish, and British demand for Danubian corn during the second half of the month. The Rumanian crop estimate was reduced to 240,144,000 bushels. The trade complains that the corn is too wet, a condition which, in cases, renders exports impossible at present.

The Autumn sowing campaign is practically over. Grain is reported to have made satisfactory progress and have benefitted from damp weather during past weeks. Some complaints are heard from Austria and Czechoslovakia as well as parts of Rumania on account of greatly delayed sowings due to dry weather earlier in the Autumn which was also unfavorable to grain previously sown.

^{a/} Sufficient allowance for this possibility is made in the range of our surplus estimates which, therefore, are unchanged.

Poland

Farm deliveries of wheat and rye were comparatively small during the second half of October and in November. This was partly seasonal but was somewhat induced by expected government measures to help prices. The demand continued restricted and prices did not increase the first half of November despite small farm offers. Recently, however, prices have shown some improvement. On November 16 export bounties were introduced by government order. From November 16 to April 15, 1930 a bounty of 18 cents per bushel is paid on exports of wheat, 17 cents on rye, for 6.5 cents on oats and 10 cents on barley, and for flour a bounty of 51 cents per 100 pounds (according to other reports 46 cents). Agricultural organizations have formed an export syndicate for carrying on business in grain exports. This export syndicate has also the work of standardizing grain, as export bounties will only be paid for grain conforming to certain standards. According to private reports about 275,000 short tons of all grains will be exported during this season. Export business will be attempted mainly to Scandinavian countries. At present negotiations are under way between the Polish syndicate and the biggest German flour milling concern (Scheuer-Gruppe) for the purpose of making an agreement with respect to the export policy of both groups. According to rumors a similar syndicate to that in Poland will be established in Germany and the two syndicates will endeavor to cooperate on the export market.

Soviet Russia

There is little possibility of Soviet Russia appearing on the world market this year either as seller or buyer of wheat. In the first instance, in view of the Government's desire to build up large reserves of grain, only very pressing needs for foreign exchange would force the Government to resort to wheat exportation. It is also unlikely that exports of rye will take place. The success of the Russian grain procuring campaign coupled with reported building up of stocks of grain in the Government's hands makes the question of imports less important than during the past year.

After a slight slackening tendency experienced during the first part of October, Russian grain procurings picked up again in the second half of October and are now approaching an end. Seeing that about 93 per cent of all grain foreseen by the plan was procured by November 15, there is scarcely any doubt about completing the campaign by December-January - the period provided for by the Government. Procurings of bread grains continue to lag behind total procurings, only 88 per cent of the plan having been procured to November 15, still they are considerably higher than last year.

The rapid development of procurings has caused the problem of adequate storage to arise. Measures are being taken in order to protect grain from insect and fire damage. Fortunately, this year's grain is reported to be very dry as a rule and can thus be stored with less danger of subsequent damage than in other years.

It has been officially reported recently that reserves for emergency cases have been built up to the extent of 1.5 million tons a/. Barring extraordinary events, this fact, coupled with the planned considerable increase of the 1930 grain production, may lead to renewal of exports next year. However, it is impossible at present to judge to what extent the planned increase of grain production will actually take place, as aside from weather and crop conditions, the aggressive class policy of the Soviet Government in the villages may lead to greater reluctance on the part of the peasants, particularly the more well-to-do, to produce more than absolutely necessary. At the same time the rapid rate of collectivization in grain farming is likely to cause serious organization difficulties so that a decline in peasant production may not be offset by a corresponding increase of the socialistic sector, at least for the next year or two.

Sowing Campaign

A preliminary official report places the winter grain acreage for Soviet Russia as a whole (U.S.S.R.) at 95,400,000 acres compared with 91,900,000 acres last year, or an increase of 3.8 per cent. The winter acreage of Russia proper (R.S.F.S.R.) increased 4.2 per cent and of Ukraine 3.7 per cent. The autumn sowing "plan" was not fully executed in important winter wheat regions, but exceeded in some other regions. Thus winter wheat sowings in Ukraine were 21.2 per cent below the "plan", while rye sowings were 5.4 per cent above the plan. Total grain procurement of the State and cooperative organizations up to December amounted to 99 per cent of the annual "plan"; but the procurements of bread grains alone amounted to 94 per cent of the annual "plan".

The condition of winter crops as of November 10 was reported average in all sections of RSFSR, excepting parts of the Central Fertile region and Middle Volga region b/ where conditions are below average, though reported improving in the Central Fertile region. Prolonged warm weather was reported a favorable factor, which allowed the delayed crops to reach their normal condition before the setting in of the frosts, thus increasing their power of resistance.

a/ Later information indicates a somewhat higher figure.

b/ As expected in our report of September 30, 1929.

The Argentine wheat crop

A study of the relation of the Argentine wheat yields to weather during and preceding the growing season tends to confirm current reports of a substantial decrease in the 1929 crop of that country. The most probable size of crop appears from this study to be about 145 to 175 million bushels.

The 1929 probable yield indicated by the study is 6.6 to 8.2 bushels to the acre sown. On the 19,450,000 acres officially reported as sown for the 1929 harvest this yield would give a crop of 130 to 160 million bushels. This estimate is based on the past relation of certain weather factors to the yield as officially reported. For the years 1927 and 1928 figures available on exports and stocks at the beginning and end of the seasons have indicated that the actual harvest was probably 30 to 35 million bushels greater than the official estimate. It is not known whether the difference was due to an underestimate of the yield or of the acreage sown. Various unofficial reports have expressed the belief that the acreage has been underestimated. In order to make partial allowance for a similar possible contingency this year 15 million bushels have been added to the harvest figure indicated by the study, giving a probable crop of 145 to 175 million bushels.

The analysis on which the 1929 yield is based is the result of a multiple curvilinear correlation for the period 1896 to 1928 using six weather factors; monthly mean temperatures averaged for two stations Cordoba and Bahia Blanca for the months July, August, September and October, and total rainfall at Cordoba for two periods, February to May inclusive, and June to August inclusive. These two stations were chosen as two of the three in the wheat zone for which the weather records are available for a long series of years. The third station, Buenos Aires, was included in preliminary studies but the results in general were not improved by the addition.

In this study changes in yield were more closely associated with changes in October temperature than any other factor used; high yields accompanied low temperatures and vice versa. In August and September temperatures above average were accompanied in general by reduced yields, as were also unusually low temperatures. Changes in July temperature were not shown to have a very close relation to the changes in yield. Low rainfall at Cordoba in the period February to May inclusive was associated on the average with low yields and heavy rainfall with high yields. In the June to August period, on the contrary, the relationship indicated by the study was one of decreasing yields with increasing rainfall except in years of very slight rainfall. It is probable that rainfall after the close of August and temperature in November and December also effect the yield more or less. In this study, however, an attempt to include them as additional factors did not improve the results. Frost in the maturing season is probably also a factor of some importance in some years. Simple methods to determine its importance did not indicate any improvement in the results of the study through its use.

The reduction in the 1929 yield indicated by this study is associated with deficient rainfall in the period before planting and above average temperatures in the growing and maturing season. Total rainfall at Cordoba in the months February to May was only about 3.7 inches compared with an average of

about 11.3 inches in the 33 years studied. The 1929 rainfall was lower in these four months than in the corresponding period for any of the preceding 33 years. The rainfall in the usually dry period June to August amounted to about 2.8 inches in 1929 compared with the average of about 1.4 inches.

The mean July temperature for the two stations was 52.5 degrees Fahrenheit this year compared with the 33-year average of 48.6 degrees Fahrenheit. The August temperature was 52.9 degrees Fahrenheit compared with the average of 51.0 degrees Fahrenheit. In September it was between 58 and 60 degrees this year compared with an average September temperature of 56.2 degrees, and in October it was between 61.5 and 63.5 as against an average October temperature of 61.2 degrees. The spread in the 1929 estimate of yield is due to the fact that definite figures are yet available for the temperatures in September and October.

Table 13 - Argentine wheat yield per acre sown, 1896 to 1929

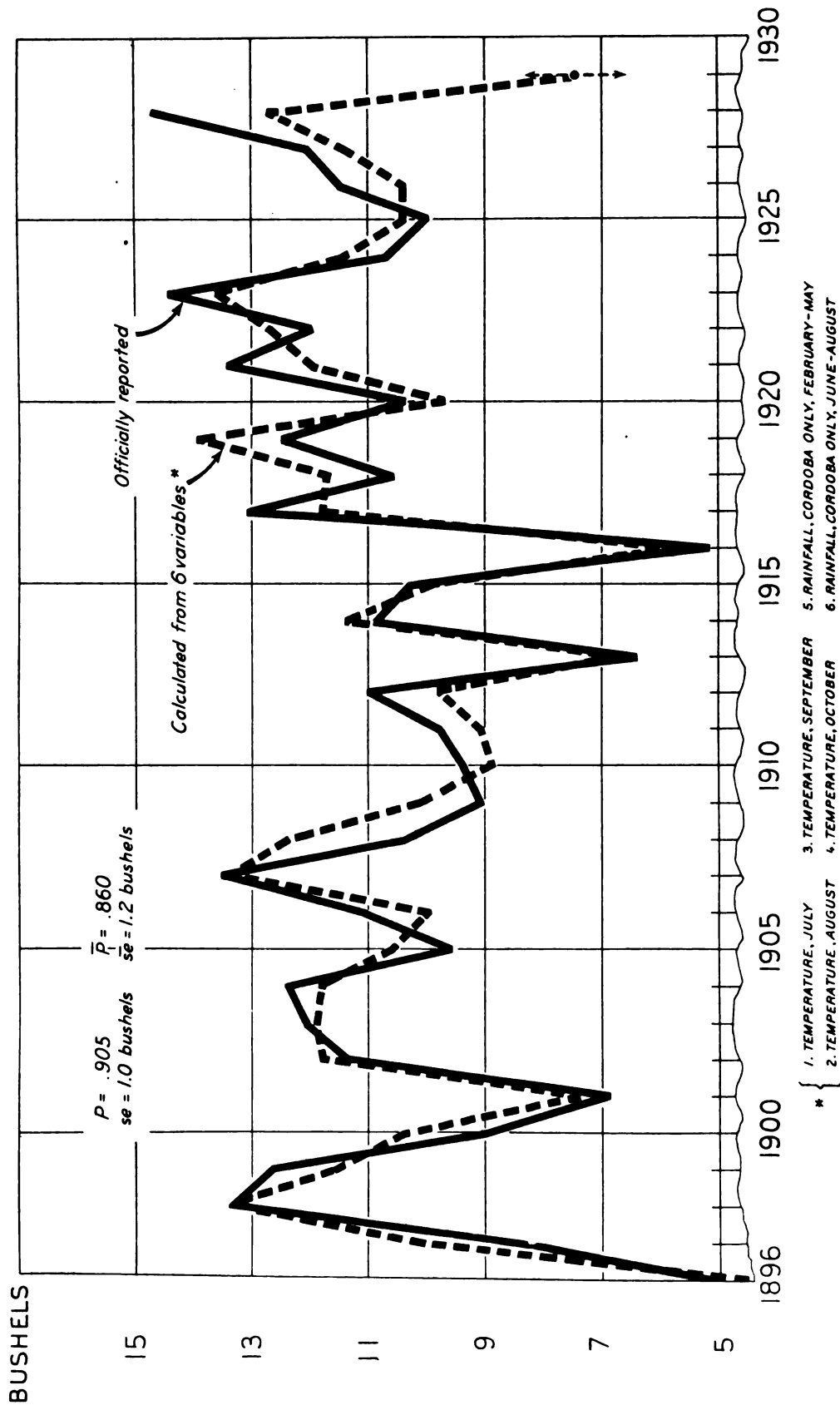
Yield per acre sown			Yield per acre sown		
Year	As officially: reported	Calculated from weather ^{a/}	Year	As officially: reported	Calculated from weather ^{a/}
	Bushels	Bushels		Bushels	Bushels
1896	5.1	4.5	1913	6.4	6.7
1897	8.3	10.1	1914	10.9	11.4
1898	13.3	13.4	1915	10.3	9.9
1899	12.7	11.6	1916	5.2	5.8
1900	9.0	10.4	1917	13.1	11.8
1901	6.9	7.4	1918	10.6	11.7
1902	11.4	11.8	1919	12.5	13.9
1903	12.1	11.9	1920	10.4	9.7
1904	12.4	11.8	1921	13.4	12.0
1905	9.6	10.6	1922	12.0	12.7
1906	11.1	10.0	1923	14.4	13.6
1907	13.5	13.4	1924	10.7	11.5
1908	10.4	12.4	1925	10.0	10.4
1909	9.1	10.1	1926	11.5	10.4
1910	9.4	8.9	1927	12.1	11.5
1911	9.8	9.1	1928	14.7	12.7
1912	11.0	9.8	1929	-	6.6-8.2

a/ The factors used were temperature Cordoba-Bahia Blanca July, August, September and October and rainfall Cordoba February to May and June to August. Results were as follows: $P = .905$, $\bar{P} = .860$, $S_e = 1.0$ bushels, $S_e = 1.2$ bushels. The "corrected" standard error and the "corrected" index of correlation are calculated from the following formulas developed for linear correlation:

$$S_e = \sqrt{\frac{\sum Z^2}{n-m}} \quad \bar{P} = \sqrt{\frac{S_e^2}{\alpha_m^2}}$$

In using these formulas for the curvilinear correlation of this study it is assumed that the introduction of a curve in a regression has the same effect as the introduction of an additional variable. Hence m is made equal to the number of variables plus the number of regressions which are curvilinear.

ARGENTINA: WHEAT YIELD PER ACRE SOWN



• U.S. DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
WH-45

January 31, 1930

FOREIGN NEWS ON WHEAT

WORLD WHEAT CROP AND MARKET PROSPECTS

The supply of wheat in foreign surplus producing countries as of January 1 was about 275 million bushels less than on January 1 a year ago. The visible supply in the United States was about 40 million bushels greater but the amount of wheat remaining on farms was about 50 million bushels less than a year ago. The Canadian visible supply is about equal to that of a year ago, but the amount remaining on farms for sale is probably about 55 million bushels less than a year ago. The available supply in the Southern Hemisphere has been reduced over 200 million bushels by short crops. The Balkan countries which shipped heavily early in the season have but very little left for export.

Some European countries, particularly Italy and Germany, probably will import more wheat in the second half than they exported in the first half of the marketing season. It seems likely that the international trade in wheat will be about 200 million bushels less than in the past season, but the carryover of wheat in surplus producing countries is likely to be reduced below the large carryover at the beginning of the present season.

The smaller world supplies tend to strengthen the wheat price situation but a world-wide reduction in the general price level and an almost world-wide tightening of credit and business recession tend to hold down the price of wheat. It still seems likely, however, that prices will move to a higher level before the end of the season.

New crop prospects are becoming increasingly important in determining the price level. Toward the end of the season indications of an average world crop would tend to maintain or strengthen prices. Heavy winter killing or other indications of another small crop would result in relatively high prices in May or June, but indications of a good crop would tend to weaken prices. The outlook report on wheat is summarized briefly as follows:

The wheat outlook

There is little in the wheat situation at present to indicate that prices for the 1930 crop of the United States will be much different from the average for the 1929 crop, unless fall-sown wheat suffers severe winter damage or the spring wheat acreage is reduced. World stocks on July 1 are likely to be somewhat smaller than at the beginning of the present season, but the world acreage probably will not be materially changed and yields per acre are not likely to be so low as in 1929, when they were below average.

Looking farther ahead, the world demand for wheat appears to be increasing by growth of population and the tendency to shift from other breadstuffs to wheat. World production of wheat, however, is keeping pace with the increasing demand, and the wheat producers of the United States must plan to meet continued keen competition in export markets from Canada, Australia, Argentina and later on, possibly Russia.

During the past five years there has been a tendency to increase acreage in all important exporting countries but this tendency may be checked temporarily by low prices and low yields in the last two seasons. Fall seedings in Russia have been about the same as last year,

notwithstanding efforts to increase the area. The Russian Government hopes to increase the spring wheat area, but it is not likely that Russia will be in position to export appreciable quantities next year.

World production in 1929 was reduced by low yields. The average yield per acre for all countries was 14 bushels, as compared with 16 bushels in 1928; and a five-year average of 15 bushels per acre. With average yields the world supply of wheat for the 1930-31 season may be about equal to the supply available for the present season. With a smaller carry-over, world prices might average slightly higher, but any great improvement in prices could result only from yields below average. Similarly a season of yields higher than average might result in lower prices.

Another large crop of winter wheat in the United States is in prospect unless adverse conditions develop between now and harvest time. If yields and abandonment are equal to the average of the last ten years, the crop would be only slightly less than the large production of each of the past two years. This production would keep us on a level far above domestic requirements for hard winter wheat and slightly above our domestic consumption of soft winter wheat.

Any expansion in the area of hard red spring wheat would probably result in lower prices, if average or better than average yields are obtained, unless the protein content of hard winter wheat is lower than in 1929. In fact, growers may find it profitable to reduce their present acreage somewhat and turn to flax, particularly if the growing conditions of the hard winter crop continue favorable.

Durum wheat prices probably will continue relatively low for another season unless acreage in the United States is further curtailed or production in other competing countries is reduced. Prices for red durum especially are likely to be low unless there is a good export demand as a result of smaller crops in other countries.

A 19 per cent reduction in the area of durum, with average yields, would result in a crop as large as that harvested in 1929. Whether such a reduction will be advisable will depend largely upon the outturn of durum production in foreign countries. Further information concerning the outlook for the crop in Northern Africa and Southern Italy will be available before planting time and spring wheat growers should take this into account in planning their acreage of durum wheat.

Table 1.-- WHEAT: Acreage, yield per acre and production,
average 1921 - 1925, annual 1924 - 1929

Year	Estimated totals								
	United States	Canada	Australia	Argentina	Europe ^{a/}	North Africa	North-ern Hemisphere	South-ern Hemisphere	World ^{b/}
	Million acres	Million acres	Million acres	Million acres	Million acres	Million acres	Million acres	Million acres	Million acres
ACREAGE:	acres	acres	acres	acres	acres	acres	acres	acres	acres
Average:									
1921-25:	58	22	10	17	66	9	195	31	226
1924...	53	22	11	18	67	9	191	33	224
1925...	52	21	10	19	69	9	193	34	227
1926...	56	23	12	19	70	10	198	35	237
1927...	59	22	12	20	71	9	203	37	240
1928...	58	24	15	21	71	10	204	41	245
1929...	61	25	14	19	70	10	206	39	245
YIELD									
PER ACRE:	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels
Average:									
1921-25:	13.9	16.6	12.8	12.0	16.1	10.8	15.0	12.6	14.6
1924...	16.5	11.9	15.2	10.7	15.6	9.9	14.3	12.7	14.1
1925...	12.9	19.0	11.2	10.0	20.2	11.3	15.9	10.9	15.2
1926...	14.8	17.8	13.8	11.5	17.3	9.3	15.1	12.6	14.7
1927...	14.9	21.4	9.6	12.1	17.9	11.9	15.8	12.5	15.3
1928...	15.7	23.5	10.8	14.7	19.8	10.5	16.5	14.0	16.1
1929...	13.2	11.6	7.7	7.4	20.3	12.1	14.9	(9.2)	13.9
PRODUCTION:	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Average:									
1921-25:	804	366	129	203	1,194	94	2,917	390	3,307
1924...	864	262	165	191	1,058	87	2,737	413	3,150
1925...	676	395	115	191	1,397	106	3,073	368	3,441
1926...	831	407	161	221	1,211	91	2,984	442	3,426
1927...	878	480	118	239	1,268	107	3,200	461	3,661
1928...	915	567	160	340	1,409	106	3,376	567	3,943
1929...	807	300	112	c/175	1,415	120	3,072	357	3,415

^{a/} Excludes Russia.

^{b/} Excludes Russia and China.

^{c/} The official estimate is 143 millions but many believe this to be too low.

World Production and Crop Conditions

Reports during the past month have not made any material change in the estimate of world production outside of Russia and China. Reports from 43 countries indicate a production of 3,289 million bushels, a decrease of 14 per cent from production in the same countries in 1928 when these countries represented 97 per cent of the estimated world crop outside of Russia and China.

Prospects for the new crop are beginning to be of some importance in considering the wheat situation. Winter seedings have been reported from a few countries. An increase in seedings in the United States has been about offset by a reduction in fall seedings in Canada and Rumania. The winter wheat area of Russia appears to be about the same as a year ago.

The conditions of crops in countries reporting condition in the fall were fairly good. Recent weather conditions in Europe threaten some injury to the winter crop. The Russian Government hopes to increase spring seedings but recent reports indicate that the Government is experiencing some difficulty in obtaining seed and machinery for the spring seeding. Droughty conditions have prevailed in some parts of North Africa. Autumn rainfall in Canada was again below normal but much more satisfactory than a year ago. It is, of course, too early to make definite forecasts, but it now seems possible that the 1930 crops of North Africa and Europe will be somewhat less than in 1929 when they were large, and that the Canadian crop will be better than in 1929 when it was short.

Table 2. - WHEAT: Winter acreage, average 1909 - 1913,
annual 1927 - 1930

Country	harvest year					Percentage
	Average 1909-1913:	1927	1928	1929	1930	1930 is of 1929
	1,000	1,000	1,000	1,000	1,000	Per cent
	acres	acres	acres	acres	acres	
United States	a/ 32,702	43,373	47,317	42,820	43,690	102.0
Canada	a/ 1,019	979	1,033	885	809	91.4
Bulgaria	b/ 2,409	2,633	2,744	2,619	2,875	109.8
Rumania	a/t/ 9,515	7,017	7,281	7,462	6,549	87.8
Tunis	c/ 1,310	1,377	2,011	1,730	1,730	100.0
Punjab, India	c/ 9,692	10,407	9,978	10,747	10,782	100.3
Total	56,647	65,786	70,364	66,263	66,435	100.3

a/ Four year average.

b/ Total acreage.

c/ Punjab represents about one-third of the wheat acreage of India.

Exports

Shipments from exporting countries in the first half of the season have continued to fall far behind those of the corresponding period of the previous season. Argentina, after shipping the large volume of old wheat remaining on hand, has begun to move new wheat. With low freight rates and unsatisfactory financial conditions Argentina may press the new wheat crop to market, shipping a large part of it in the next six months. Reports generally indicate that the Danubian countries have shipped the bulk of their exportable surpluses and will not ship large quantities during the remainder of the season. Australia is beginning to move her moderate size crop. The weekly shipments from North America are larger but are not yet large enough to make a great impression upon the surpluses available for export. It seems quite likely that the exports from North America will increase toward the end of the season and that the surplus stocks on July 1 will be reduced below those at the beginning of the present season. Revised estimates of shipments and carryover or stocks at the end of the season are submitted below.

Table 3. - WHEAT, INCLUDING FLOUR: Shipments from principal exporting countries

Country	: Total shipments :		Shipments, week :			: Net movement from July	
	: or exports :		ending :			: as far as reported	
	: : : a/ :		: : : :			: To and: :	
	: 1927-28 :	: 1928-29 :	: Jan 4 :	: Jan 11 :	: Jan 18 :	: incl. :	: 1928-29 : 1929-30
	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :	: Date :	: 1,000 : 1,000
	: bush. :	: bush. :	: bush. :	: bush. :	: bush. :	: bush. :	: bush. : bush.
North America b/	: 452,423 :	: 499,842 :	: 4,868 :	: 5,678 :	: 6,230 :	: Jan 18 :	: 316,224 : 168,455
Canada, 4 mar-							
lets c/.....	: 333,335 :	: 458,649 :	: 1,310 :	: 1,550 :	: 702 :	: " " :	: 345,086 : 123,976
United States....	: 223,239 :	: 163,687 :	: 2,635 :	: 2,656 :	: 2,513 :	: " " :	: 95,478 : 94,325
Argentina.....	: 178,135 :	: 216,722 :	: 1,512 :	: 2,382 :	: 2,940 :	: " " :	: 77,683 : 107,854
Australia.....	: 72,962 :	: 107,937 :	: 1,180 :	: 1,768 :	: 2,072 :	: " " :	: 44,002 : 28,028
Russia.....	: 5,408 :	: 8 :	: 0 :	: 0 :	: 0 :	: " " :	: 8 : 0
Danube & Bul. d/	: 33,847 :	: 33,842 :	: 200 :	: 328 :	: 144 :	: " " :	: 2,048 : 14,960
British India...:	: 15,668 :	: e/21,739 :	: 0 :	: 0 :	: 0 :	: " " :	: e/- 97 : e/- 367
Total f/	: 757,443 :	: 836,612 :	: 7,760 :	: 10,056 :	: 11,386 :		: 438,991 : 316,928

Compiled from official and trade sources.

a/ Preliminary.

b/ Bradstreet's, weeks ending Thursday, includes flour converted at 4.8 bushels per barrel.

c/ Fort William, Port Arthur, Vancouver and Prince Rupert.

d/ Hungary, Yugoslavia, Rumania and Bulgaria.

e/ Net imports.

f/ Totals of trade figures, including North America as reported by Bradstreet's.

Table 4.-- WHEAT, INCLUDING FLOUR: Net exports from principal exporting countries

Country	1928-29	Preliminary estimates 1929-30	July 1 to	Net exports	
				1928-29	1929-30
	Million bushels	Million bushels		Million bushels	Million bushels
United States.....	142	200 - 220	Jan 11	95	91
Canada.....	421	210 - 230	Dec 31	279	110
Hungary.....	24	20 - 24	Sept 30	5	10
Yugoslavia.....	8	15 - 25	Oct 31	6	15
Argentina.....	217	195 - 210	Jan 11	73	105
Australia.....	106	65 - 75	Jan 11	40	26
Total.....	920	705 - 784		498	360

Table 5.-- WHEAT: Carryover or stocks accounted for July 1, 1928 and 1929, and probable carryover or stocks, July 1, 1930

Position	1928	1929	1930 (Probable)
	Million bush.	Million bush.	Million bush.
United States.....	128	245	190 - 210
Canada <u>a/</u>	114	125	80 - 100
Argentina <u>a/</u>	78	114	25 - 45
Australia <u>a/</u>	30	33	20 - 30
United Kingdom, port stocks: and floating supply.....	60	61	50 - 60
Total.....	410	578	365 - 445

a/ Only surplus for export or carryover at end of season.

Canada

The Canadian Government has revised its estimate of the Canadian crop from 294 to 300 million bushels. This is the smallest crop since 1924, being 267 million bushels less than the record crop of the past season, and 123 million bushels less than the average for the five years, 1924-1928. The crop, however, is of high quality. Inspections through December graded 89 per cent No. 4 and above, as compared with about 53 per cent of the previous crop. Only one-tenth of one per cent graded feed, compared with 5.9 per cent last year. The weight per measured bushel (Imperial measure) is 60.8 pounds, compared with 59.7 in the past season and an average of 59.4 pounds. The protein content is also high.

The western wheat crop came to market early. Receipts at Country elevators and platform loadings to December 31 accounted for 207 million bushels from a crop estimated at 277 million bushels. Allowing for local milling, seed and other uses on the farm, it is probable that only about 25 million bushels more are to be marketed as compared with 32 millions delivered from January 1 to August 1 last season.

Canadian prices have averaged considerably higher in the season to date than in the corresponding months of the past season. Spring wheat prices to growers have averaged 115 cents per bushel compared with 78 cents a year ago and an average of 106 in the past five years. The higher prices, however, are not sufficient to make up for the reduced production. According to the Canadian Government, the total wheat crop of Canada is valued at \$347,000,000, compared with \$451,000,000 in the past season, and an average of \$436,000,000 in the past five years. More significant perhaps is the change in the value of the marketings. The Winnipeg Free Press estimates the value of the marketings of the Prairie Provinces in the season through December at \$182,000,000, compared with \$320,000,000 in the past season. Since the amounts remaining to be marketed in the remainder of the season are proportionately much less than a year ago, it is evident that the producers' income from wheat is being greatly curtailed. The lower income from wheat is accompanied by lower income from other grains and is only partly offset by slightly larger income from livestock. Considering all agricultural products, the purchasing power of the Canadian Prairie Provinces has been reduced to about three-fourths, or less, of the income from last season's production.

Reported stocks of Canadian wheat on January 3 amounted to 229 million bushels, or about the same as on the corresponding date a year ago, but the amount of wheat remaining on farms to be marketed is less than a year ago. The total amount available for export and carryover is probably about 200 million bushels, as compared with 269 million a year ago. The exports from January 1 to June 30 last year amounted to 144 million bushels, leaving on July 1 a surplus of 125 million bushels for export and carryover at the end of the season.

The prospects for the new crop will be watched with interest during the remainder of the season. Following the short crop of 1924 Canada reduced her acreage of wheat 6 per cent. Will she do it again? In the past season the yields of spring wheat averaged 11.4 bushels per acre, against 23.5 in 1928 and a five-year average of 18.4. In an analysis published in June we indicated that fall and early winter conditions have a material effect upon yields. In the past season the yields averaged even lower than indicated by that analysis. It is still too early to make a similar analysis, but it is of interest to note that while autumn rainfall has been better than last year it is still below normal.

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Rainfall in Prairie Provinces of Canada, September - November

Period	Saskatchewan			Alberta			Manitoba		
	Av 25	1928	1929	Av 24	1928	1929	Av 24	1928	1929
	years			years			years		
	Inches	Inches	Inches	Inches	Inches	Inches	Inches	Inches	Inches
Sept	1.57	0.38	1.2		0.26	0.5			1.7
Oct	0.94	0.67	0.9		0.42	0.6			1.0
Nov	0.68	0.20	0.8		0.08	1.0			0.6
Total	3.19	1.05	2.9	2.76	0.76	2.1	4.21	3.74	3.3

Other conditions remaining about in line with fall precipitation would indicate a yield about average or slightly less than average upon an area somewhat less than the area harvested last season.

Table 6. - CANADA: Stocks of wheat, November 1 - January 3,
1926-27 to 1929-30

Date	1926-1927			1927-1928			1928-1929			1929-1930		
	West-:ern	East-:ern	Total	West-:ern	East-:ern	Total	West-:ern	East-:ern	Total	West-:ern	East-:ern	Total
	Div	Div		Div	Div		Div	Div		Div	Div	
	Mil-:lion	Mil-:lion	Mil-:lion	Mil-:lion	Mil-:lion	Mil-:lion	Mil-:lion	Mil-:lion	Mil-:lion	Mil-:lion	Mil-:lion	Mil-:lion
Nov 1	68	25	93	65	18	83	125	31	156	157	58	215
8	77	28	105	74	24	98	130	38	168	158	61	219
15	82	30	112	79	31	110	133	42	175	159	60	219
22	79	33	115	76	40	116	135	47	182	156	65	221
29	74	42	116	72	51	123	124	65	189	153	70	223
Dec 6	73	44	117	73	66	139	119	81	200	150	77	227
13	74	56	130	79	70	150	139	93	232	152	77	229
20	77	50	127	88	67	155	132	93	225	152	76	228
27	82	45	127	93	66	159	137	91	228	154	74	228
Jan 3	87	42	129	97	63	160	142	88	230	155	74	229

Canadian Grain Statistics

The United States

The only development of particular interest in the wheat situation in the United States is a continuation of the reduction in the visible supply. From the last week in October to the week ending January 25, the visible supply was reduced from 203 million to 171 million bushels; whereas a year ago the stocks at the end of this period were only 11 million bushels below the peak which had been reached at the end of December. The visible supply, however, is still nearly 40 million bushels greater than a year ago, but this is more than offset by a reduction in farm stocks. A survey as of January 1 indicated that the farm stocks were 50 million bushels less than a year ago.

Table 7. - WHEAT, DOMESTIC: Stocks in store and afloat,
United States markets

Week ended	Stocks	
	1928	1927
	Million bushels	Million bushels.
Oct 5.	123	199
12.	128	201
19.	134	201
26.	138	203
Nov 2.	139	202
9.	140	200
16.	138	198
23.	139	193
30.	140	190
Dec 7.	140	189
14.	141	189
21.	142	188
28.	144	185
Jan 4.	142	182
11.	139	179
18.	135	175
25.	133	a/ 171

Compiled from commercial grain stocks in store in principal United States markets, as reported to the market news service of the Bureau of Agricultural Economics.

a/ Preliminary.

The earlier movement of the United States crop to market is indicated by a comparison of the receipts of inspected wheat, all inspection points, through the period July-November. The inspections in November of the present season were less than half those of the previous November.

It is also of interest to note that inspected receipts by classes tend to confirm earlier estimates of production by classes. During the first five months, the inspections of durum and hard red spring wheat were considerably less than a year ago, whereas the inspections of hard red winter and soft red winter were somewhat larger.

Table 8. - Receipts of inspected wheat, all inspection points, by classes, July - November, 1928 and 1929

1928							
Class	July	Aug	Sept	Oct	Nov	Total	
	Cars	Cars	Cars	Cars	Cars	Cars	Bushels
Hard red:							
spring :	4,120	9,165	27,767	36,062	25,349	102,463	133,201,900
Durum :	980	2,531	12,746	12,459	6,301	35,017	45,522,100
Hard red:							
winter :	91,490	64,482	29,806	26,068	17,459	239,307	311,099,100
Soft red:							
winter :	8,732	9,225	3,099	2,516	1,195	24,767	32,197,100
White :	2,158	5,229	4,891	4,533	1,669	18,480	24,024,000
Mixed :	4,433	6,324	9,987	8,589	4,482	33,815	43,959,500
Total :	111,913	96,956	88,298	90,227	56,455	443,849	577,003,700
1929							
Hard red:							
spring :	9,361	14,621	19,260	12,062	6,345	61,649	80,143,700
Durum :	2,246	3,833	3,871	2,817	1,600	14,367	18,677,100
Hard red:							
winter :	126,937	73,057	26,444	20,741	11,519	258,698	336,307,400
Soft red:							
winter :	14,302	12,462	3,261	1,879	1,527	33,451	43,486,300
White :	3,012	6,080	4,725	2,446	1,753	18,016	23,420,800
Mixed :	5,197	7,520	5,702	4,305	2,068	24,792	32,229,600
Total :	161,055	117,593	63,263	44,250	24,812	410,973	534,264,200

Table 9.-- WHEAT: Production, exports and prices, by classes, 1923-1929

Production a/

Year beginning July	Hard red spring	Durum	Hard red	Soft red winter	White	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1923	127	55	241	272	102	797
1924	192	66	365	189	52	864
1925	156	65	206	170	80	677
1926	121	48	360	229	73	831
1927	202	83	317	181	95	878
1928	203	102	385	139	86	915
1929	140	57	340	190	80	807

Exports b/

1923	2	19	27	11	20	79
1924	21	34	121	8	11	195
1925	5	27	10	2	19	63
1926	2	22	73	31	28	156
1927	6	31	65	14	30	146
1928	2	45	38	3	15	103

Price c/

Year beginning July	No. 1 dark northern spring: Minneapolis	No. 2 amber durum Minneapolis	No. 2 hard winter Kansas City	No. 2 red winter St. Louis
	Cents	Cents	Cents	Cents
1923	124	106	105	107
1924	158	156	135	159
1925	165	144	163	169
1926	151	155	135	138
1927	141	132	135	149
1928	126	113	112	139

a/ Estimates of production by classes are based on surveys made in 1920, 1923, and 1924 of the percentage of different varieties of wheat grown, supplemented by investigations and judgment of cereal specialists. All estimates are the result of applying percentages for each State to the production of each State as estimated by the Division of Crop Estimates save that durum estimates of four States are used directly. As there are changes from year to year in the relative amounts of the varieties of wheat grown and also changes in the relative yields per acre, these figures should be considered to be only rough approximations.

b/ Total as reported by the Department of Commerce. Distribution by classes made on basis of United States inspections for export by ports and inspections of United States wheat in the Eastern Division of Canada.

c/ Compiled by Division of Statistical and Historical Research. Prices are average cash price per bushel weighted by car-lot sales.

Prices

The foreign demand for our wheat to date has been disappointingly weak. Large crops and early harvests in deficit countries, large exports of old wheat from Argentina materially reduced the takings of wheat from North America in the first half of the season. Some deficit countries will need to buy more during the remainder of the season and they must turn to North America for a good share of their requirements.

Cash prices generally have improved their position relative to futures. The average price for the remainder of the season is likely to be above the average for the season to date. Considering the average for the season to date, however, and the slowness of exports, it now seems necessary to reduce our November estimates of the probable averages for the entire season.

WHEAT: Average price per bushel for first six months of season
1929-1930 and estimated average for remainder of season

Kind of wheat	Average of weeks ended		Probable average prices for remainder of season
	July 5- Dec 27, 1929	Jan 3, 1930	
	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>
British parcels (to Dec 14).....	140	141	145-155
No. 2 hard red winter, Kansas City.....	122	125	125-130
No. 2 red winter, St. Louis.....	133	137	137-145
No. 1 dark northern spring, Minneapolis	137	136	140-145
No. 2 amber durum, Minneapolis.....	126	124	125-135
No. 1 western white, Seattle.....	125	121	125-130

The prospects for new crops of course will have some influence upon these averages and materially affect the course of prices in the latter part of the season. Heavy winter killing in the United States or Europe would tend to raise these averages, and prospects of normal crops would probably result in prices near the middle of these ranges.

Table 10.-- WHEAT: Closing prices of May futures

Week ended	Chicago		Kansas City		Minneapolis		Winnipeg		Liverpool		Buenos Aires <u>a/</u>	
	1929	1930	1929	1930	1929	1930	1929	1930	1929	1930	1929	1930
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Jan 2	119	135	111	127	112	134	121	146	132	148	b/110	b/127
9	121	132	114	125	115	132	124	141	134	142	b/109	b/120
16	123	127	116	120	118	127	126	132	135	138	b/110	b/117
23	128	128	121	121	122	128	129	135	136	137	b/112	b/117
30	127		120		121		129		135			115
Feb 6	127		119		121		129		136			115
13	133		124		126		134		136			117

a/ Prices are of day previous to other prices.b/ February futures.

Weighted average cash prices at stated markets, United States

Week ended	All classes: No. 2		No. 1		No. 2		No. 2		Western	
	and grades	Hard winter	Dx.n.spring	Amber durum	Red winter	white				
	six markets	Kansas City	Minneapolis	Minneapolis	St. Louis	Seattle <u>a/</u>				
	1928	1929	1928	1929	1928	1929	1928	1929	1928	1929
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Dec 6	109	130	113	125	124	138	117	128	143	138
13	107	122	111	120	121	130	107	124	141	132
20	107	120	111	118	123	128	110	119	137	132
27	106	123	110	122	120	132	109	122	135	135
	1929	1930	1929	1930	1929	1930	1929	1930	1929	1930
Jan 3	105	126	108	125	123	136	111	124	135	137
10	108	123	108	121	125	133	---	122	141	136
17	115	121	114	118	130	131	122	118	141	134
24	118	120	119	118	132	131	138	118	142	137
31	117		117		131		132		144	
Feb 7	117		117		134		132		139	

a/ Weekly average of daily cash quotations basis No.1 sacked 30 days delivery.

Table 11.--WHEAT: Price per bushel, Liverpool, Nov-Dec, 1929

Week ended	Futures		Parcels			
	Dec	No.3 N.Manitoba	No.2 Hard winter	Rosafo 65 1/2 lb	No.1 N.Manitoba	
	close	Nov	shipping	Dec	Dec	
	Cents	Cents	Cents	Cents	Cents	
Nov 8	130	147	130	130		
15	122	138	124	119		
22	128	144	(float) 132	130		
29	131	146	" 137	134		
Dec 6	137	Dec 156	Dec 143	140		162
13	133	" 152	" 138	136		158
20	132	" 149	" 135	132		156
27	134	" 151	" 136	135		157

United States durum situation.

The small United States durum crop has been slow in moving into consuming channels the first half of the year in spite of a big decrease in world durum production, due largely to a failure of the export demand. This lack of interest appears to be due principally to a plentiful supply in Italy, and good crops in North Africa. The demand is expected to pick up some the balance of the season, but there is little present indication of a material reduction in stocks at the end of the year.

Total production of durum in the United States and five foreign countries which compete with the United States crop is estimated at about 195 million bushels as compared with about 235 million bushels in 1926 and an average of 188 million in the five years 1924 to 1928. Most of the decrease below 1928 has come in the United States crop.

Durum production in the United States is now estimated at 57 million bushels, the lowest crop in the past five years with the exception of 1926 when only 48 million bushels were grown. It was nearly 40 per cent smaller than the 1928 bumper harvest of 98 million bushels. Stocks of durum at Duluth and Minneapolis on July 1, however, were over twice as great as in 1928, bringing the total known supply up to about 65.9 million bushels compared with 102.4 million in 1928. The known supply is about equal to those of 1924 and 1925 amounting to 67.5 and 66.7 million bushels respectively. There was probably a large increase also in farm stocks and country elevator stocks at the beginning of the current year which would swell the total supply still further.

The quality of the 1929 crop is reported to be excellent; in general better than any since 1924, judged by a report of inspections for the three months September to November at Minneapolis and Duluth. That damage which is reported is believed to come mostly from old crop grain which is coming to market mixed with the newer wheat. Of the total durum wheat inspected at Minneapolis in the three months, over 33 per cent graded No. 1 compared with less than 14 per cent in the period of 1928; and nearly 53 per cent graded No. 2 compared with less than 38 per cent in 1928. Due to the small size of the total receipts, however, the total amount of grades 1 and 2 durum inspected was less than in 1928.

This year subclass amber appears to be more plentiful than last in spite of the reduction in total durum crop. Inspected receipts in the three months were nearly twice as large as last year's small figure. The total amber durum crop would have to be nearly three times as great as last year's to be equal to the 5-year average of the amount of that subclass inspected at Duluth and Minneapolis. Subclass durum inspections at Minneapolis were not much more than a tenth of the unusually large receipts in the corresponding period of 1928 while subclass red durum inspections were less than a third of the corresponding inspections in 1928 and mixed durum about half as great.

Foreign durum wheat production has probably been well above average this year. According to production reports and other indications available the total crop in the five foreign countries which affect the market for our surplus, Canada, Italy, Algeria, Morocco and Tunis, is estimated to be about 138 million bushels as compared with 137 million in 1928 and

a 5-year average of about 116 million bushels. The Canadian crop, judged by inspections through December, is expected to be only about one-third of the 1928 harvest. The durum crop of Algeria is believed to be above average, judged by the estimate of total wheat production. Italy is believed to have a crop well above the record harvest of 1925. Total wheat crops have been large in the minor durum producing countries such as France and Spain, and it is probable that the durum crops have been large also. Stocks in foreign countries from the large 1928 crops have probably swelled the total supply somewhat.

In spite of the small size and good quality of the United States crop, the prices in the first six months have been lower than in 1924 and 1925 when the supply was not much smaller than this year. In 1924 short durum and bread wheat crops abroad appear to have been important factors in strengthening the price, and in 1925 a short United States crop of bread wheats helped to maintain durum prices at a high level. This year the European durum and bread wheat crops are good and the United States bread wheat supply is much larger than in 1925.

This year's United States durum crop has been slow in coming on the market. Total receipts at Duluth and Minneapolis from July 1 to January 1 were less than 25 million bushels, compared with over 60 million in 1928, 40 million in 1924 and 38 million in 1925. Stocks on January 1 at Duluth and Minneapolis totaled 11 million bushels compared with 13 million at that time last year. Adding stocks on July 1 and subtracting those of January 1, it appears that 22 million bushels have already entered consuming channels, as compared with 53 millions for the corresponding period last year, 35 million in 1924 and 32 million in 1925. Shipments out of Duluth from July 1 to January 8 are placed at about 15 million bushels this year compared with 38 million last year and 21 million in 1925.

Export demand has also been slow judged by inspections of United States durum in Canada. Total inspections in the six months, July through December were only about 2 million bushels compared with over 12 million in the same period of 1928, and about 10 million in 1925.

The demand for United States durum the balance of the current export season is expected to improve somewhat. Exports form the most important factor in the disposition of the durum crop, amounting on an average to about 45 per cent of the total. The export demand will probably pick up later in the season as the supplies in importing countries become exhausted. From present indications it appears probable that total exports may reach 13 to 17 million bushels by July 1. Italy is the principal market for our surplus. In the past five years that country has imported an average of over 21 million bushels of which nearly 20 million bushels were of North American origin, believed to be mostly from the United States. Last year total durum imports into Italy were about 30 million bushels, about 50 per cent more than average, in spite of an above average Italian crop. Exports of durum products appear to have been larger than usual but were not important in accounting for the heavy importation and it is probable that more durum than usual was carried into the new year. Average disappearance of durum in Italy in the past five years is indicated to have been about 75 million bushels, and in the past four years about 80 million. Last year total disappearance, including carryover,

appears to have been about 90 million bushels. Assuming a consumption of 85 million bushels in the current year, a domestic production of 76 million, and a carryover of possibly five million bushels, the import requirements would still be about 5 to 10 million bushels, to be supplied principally from the United States.

Exports to foreign countries other than Italy are not expected to be more than average in view of the good crops abroad and the probability of some carryover. It seems more probable that exports to those countries will be below average. Total United States durum exports, on this basis, would be about 13 to 17 million bushels compared with 45 million in 1928-29, and an average of over 30 million bushels.

United States mill grindings for semolina and flour reported in the past five crop years have ranged from 11.2 million bushels in 1924-25 to 15.6 million in 1928-29, averaging less than 14 million bushels. There has been some association between mill grindings and the average annual price of durum. Prices so far this year would indicate probable mill grindings to be between 14 and 15 million bushels.

Seeding requirements equal to the average for the past five years would amount to about 7.6 million bushels. Last year's requirement is estimated at 7.4 million.

Some of the durum crop is used in feeds and to some extent with bread wheats. There is no definite measure of the amount of durum wheat thus used, but the total amount so used appears to vary considerably from year to year. Price differentials and the test weight of hard red spring crop form some basis for tentative conclusions. Last year there were some indications of a tendency to use more than an average quantity of durum in ground mixed feeds. The short crop of feed grains and the small margin between the feed grain and red durum prices were probably an incentive to use durum. This year there may also be a greater use for this purpose than average but prices are not so favorable as in the past two years. Factors in determining the amount of durum mixed with bread wheats appear to include the price levels of hard red spring and other bread wheats as compared with durum, the quality of the bread wheats and the size of the crops. This year the quality of the hard red spring crop appears to be good and the test weight high, but the small size of the crop of that class of wheat and other bread wheats together with the margin of durum prices below those of bread wheats would indicate some incentive for mixing this year. It does not now seem probable that the total wanted for mixing both in ground feeds and with bread wheats would be greater than last year.

A total consumption for the various purposes equal to the amounts indicated above for 1929-30 would not materially reduce the carryover.

Foreign demand

The foreign demand for wheat from the United States continues unsatisfactory. This appears to be due to an unusual combination of factors including early harvests and large bread and feed grain crops in some European

countries, large shipments from Argentina, measures undertaken by several European governments to reduce imports, and financial difficulties that tend to discourage forward buying or imports by deficit countries.

Agricultural Commissioner Nyhus cables from Shanghai that two-thirds of the local milling capacity continues idle because of the lack of domestic supplies and because of the very unfavorable silver exchange rate which has practically put foreign wheat beyond the reach of the Chinese millers. Early in January American western red wheat, No. 2 was quoted c. i. f. Shanghai at 137 cents per bushel against domestic wheat at 110 per bushel. Australian and Canadian wheat continued to be substantially higher than the American wheat. Flour prices have advanced, however, and the demand for flour is much improved by reduction in stocks and the development of the good demand from Tientsin.

Consul DeVault at Tokyo reported that market weak and the export demand for flour poor on account of curtailed demand in Japanese and North China markets. He considered, however, that the prospects for future imports from the United States were good.

Tientsin flour market

The continued decrease in the arrivals of wheat flour at Tientsin has resulted in a tendency on the part of the local market to assume a more normal tone according to a report from Consul Robert B. Streeper at Tientsin, China. Estimates of local dealers placed arrivals of flour during December at 260,000 bags, which not only represented a considerable decrease from preceding months, but fell below the normal consumption figure of approximately 60,000 bags a day. The bulk of imports during the month were deliveries on forward orders and local dealers anticipate a further falling off in arrivals during the next few months. No orders were being placed for future delivery nor had any been placed for several months past. Flour production at local mills during December was estimated at 477,000 bags which exceeded all previous records. The decline in arrivals during November and December resulted in withdrawals from warehouses which reduced stocks on hand December 31 to 2,500,000 bags as against 3,500,000 bags on November 30 and almost 5,000,000 bags on October 31. Local dealers anticipate that with reduced stocks on hand, prices should soon rise and the market assume a more healthy aspect. Sales during November were negligible as importers are holding off pending better prices but were slightly better during December. When prices ultimately rise to a point where flour may be sold without a loss to the importers, it is not improbable that dealers will begin to unload their stocks on the market and it is feared that this unloading may again force prices down to their present levels, if not slightly below.

The Berlin office reports that the Continental European demand for wheat should improve in the latter part of the season. It is probable that imports into Germany, Italy and Czechoslovakia will increase. Imports into other countries are likely to be maintained. Mr. Dawson estimates, however, that the European imports for the season will be about 15 per cent less than the imports of the past season.

The rye and feed grain crops of Europe are all larger than the average of recent years. The German potato crop is smaller than last year but other European countries have good potato crops, with the result that the total European potato crop is large and prices are low. The Southern European countries are harvesting excellent corn crops and the Northern countries good rye crops. The pre-war average and the annual estimates of European rye, potato and feed grain production, 1926-1929, are as follows:

Rye, potatoes and feed grains: Estimated European production, excluding Russia, average 1909-1913, annual 1926-1929

Year	Rye	Barley	Oats	Corn <u>a/</u>	Potatoes
	<u>Million bushels</u>	<u>Million bushels</u>	<u>Million bushels</u>	<u>Million bushels</u>	<u>Million bushels</u>
Av 1909-13	978	701	1,931	557	4,164
1926	753	674	1,845	630	3,715
1927	813	659	1,739	462	4,610
1928	901	743	1,881	362	4,563
1929	902	809	2,024	676	4,692

a/ Total production in the ten countries reported in 1929.

The situation in Germany is of particular interest. With a large rye crop and higher duties on wheat, but with smaller wheat and potato crops, will Germany import more or less wheat than last year? The German farm stock of wheat at the beginning of the season was probably less but rye stock somewhat larger than at the beginning of the previous season. The new wheat crop was estimated to be 19 million bushels less than the previous crop. The farm stock as of December 15 was 15 million bushels less and the amount held on farms for sale 12 million less than on corresponding dates of the previous year. In the period July to August, Germany exported 6,600,000 bushels in 1928 and 5 million bushels in 1929. In the same period, total imports amounted to 40 million and 34 million, making the net imports of the period about 5 million less than in the corresponding period of the past season. Ignoring market stocks of foreign wheat for which we have no data, it seems that the disappearance of wheat in Germany in the first five months of the season was slightly less than in the corresponding period of the previous season. Beginning the second half of the season with about 15 million bushels less than the beginning of the corresponding period of the past season it seems likely that Germany will import more wheat than in the corresponding period of a year ago, but it is possible that the increase in imports will not equal the reduction in the supplies on hand.

Cheaper feed grains is an important factor in the situation. The prices of potatoes, rye and all feed grains are lower whereas the price of wheat is higher than a year ago. The farm stock of potatoes as of the middle of December was one million bushels below that of a year ago but potato prices are low due in part at least, to the fact that many of the European countries have large crops. The supply of rye is about the same and the supply of feed grains larger than a year ago. Even though the prices of potatoes and of these feed grains are quite low, wheat prices have advanced indicating an improvement in the demand for foreign wheat.

Table 12 - WHEAT, INCLUDING FLOUR: Net imports into principal European importing countries

Country	1928-29	Preliminary		Net imports	
		estimates	July 1 to	1928-29	1929-30
		1929-30			
	Million	Million		Million	Million
	<u>bushels</u>	<u>bushels</u>		<u>bushels</u>	<u>bushels</u>
United Kingdom:	204	195 - 210	Nov 30	79	103
Italy	90	55 - 65	Nov 30	34	21
Germany	68	75 - 85	Nov 30	34	29
France	51	20 - 30	Oct 31	17	20
Belgium	41	42 - 45	Oct 31	14	16
Netherlands .	29	33 - 35	Nov 30	12	14
Czechoslovakia:	17	16 - 18	Oct 31	7	5
Greece	22	18 - 20	Oct 31	5	6
Irish Free					
State	10	18 - 19	Oct 31	7	7
Austria	15	14 - 17	Oct 31	4	5
Switzerland .	15	16 - 18	Nov 30	6	9
Sweden	8	7 - 9	Nov 30	3	4
Norway	9	7 - 9	Nov 30	3	4
Denmark	17	10 - 12	Oct 31	4	3
Finland	6	6 - 7	Oct 31	2	2
Poland	4	2 - 6	Oct 31	3	<u>a/</u>
Spain	<u>b/</u> (15)	0 - 1			
Portugal	<u>b/</u> (8)	5 - 6			
Estonia	1	1 - 2	Oct 31	<u>a/</u>	<u>a/</u>
Latvia	3	2 - 3	Sept 30	1	1
Total ..	641	542 - 617		235	249

a/ Less than 500,000 bushels.

b/ Unofficial.

The Continental European market outlook for wheat 1929-30 a/

Continental wheat imports during the remainder of this season are expected to show a significant improvement over takings the first part of the season but still to run less than for a similar period last year and for the whole season 1929-30 to fall short of last year's imports. During the first part of the next season, 1930-31, imports will probably be considerably greater than they have been the first months of this season as it is unlikely that such generally good crops of feed grains and also wheat in important deficit countries will occur again next year. Another factor in support of increased continental requirements next season is the likelihood of a decreased carryover compared with stocks at the beginning of the 1929-30 season.

a/ By Assistant Agricultural Commissioner Owen L. Dawson, Berlin, Germany, December 31, 1929. Supplemented by cable.

This year an unusual combination of factors especially important in the first part of the season have resulted in a delayed and to some extent, reduced continental demand for overseas wheat. These factors may be summarized as follows:

1. Large crops in important deficit countries with heavy farm marketings early in the season. Quality of crop generally good and equal to last year's.
2. Largest feed grain crops in a number of years and plentiful supplies of rye.
3. Governmental measures tending to force greater dependence on domestic supplies of wheat especially during the early months of the season.
4. An unusual heavy early marketing from the Danube.
5. Evidence of large world visible supplies which gave buyers a feeling of security in holding off as long as possible.
6. Heavy shipments of old crop wheat from the Argentine during the early part of the season.
7. An unusually mild fall which is said to have reduced or delayed demand for feed grains and possibly to some extent for wheat.

Although continental wheat import requirements for the whole season 1929-30 are below last season it is quite evident that deficit countries have been depending to an unusual extent on domestic supplies the first part of the season, with the result that demand for foreign grain, which has to so large an extent remained dormant, will be compelled to assert itself the latter part of the season as evidenced by the following considerations:

1. Farm stocks in Germany are materially below last year.
2. Advices from Italy indicate that domestic offers were very free during early months and that the trade must turn to foreign sources to a much greater extent during the later months.
3. Buying of foreign grain in Czechoslovakia has been slow during the first months of the campaign because of the world situation but must seek foreign supplies to a greater extent during the later months.
4. The situation in other deficit countries has varied due to the large world visible supply, weak prices and other uncertain elements in the situation, but many countries now have important requirements to fill before the close of the season, if their consumptive needs are normal.

The Argentine crop which exerts a very important influence on the European market at this time of the year has been shown to be considerably reduced below last year. The quality of the Argentine crop is also reported

much poorer than a year ago which may be an important factor in forcing increased dependence on North American supplies for desirable grades of wheat for mixing.

The rate at which deficit Continental European countries will fill their needs during the remainder of the season will depend to a greater extent than usual upon the development of the new 1930 crop. If advices on crop developments in chief exporting countries, principally the United States and Canada, are good in the spring, buying will be curtailed somewhat in the belief that a good new crop will force old crop stocks on the market. On the other hand, if crop advices from America are pessimistic, buying will undoubtedly be considerably accelerated because of low stocks on the Continent and also the improbability of such large grain crops in Europe in 1930.

With average developments to the end of the season, particularly as regards the new crop, it now appears that wheat import requirements for the Continent of Europe for the season 1929-30 will be about 15 per cent or 55,000,000 bushels below 1928-29. This estimate is based upon a study of the various factors affecting the wheat imports of Continental Europe during past years.

1. Wheat crop. This year the wheat crop on the Continent is about equal to last year but considerably above the average.

2. Corn crop - particularly as it affects exports from the Danube and Italy's requirements for foreign wheat. This year the corn crop is the largest since 1926 compared with a crop last year which was the lowest since 1921.

3. Rye crop which competes with wheat particularly in Germany and Poland. Rye supplies in Germany and Poland this year were the heaviest in a number of years as crops were good in these countries and the carryover from last year's heavy crops was larger than usual.

4. Wheat supplies in important exporting countries. These are materially below a year ago and below the average, but the heavy visible supply has given this factor unusual weight this year.

5. Trend of disappearance. This appears moderately upward. Both the increasing population and consumption of wheat per capita are important in determining the trend. The former is increasing moderately and the latter seems to be decreasing in favor of a more varied diet (at least in some important countries). The apparent trend of disappearance, however, should be accepted with caution because there is a possibility of an upward trend in crop estimates for some countries where control and taxation methods following the war made it unpopular among farmers to estimate their crops up to the actual amount. The gradual improvement in this situation so that farmers now make better estimates may make it seem that production and subsequent disappearance has been increasing at a greater rate than has really been true, although a moderate upward trend seems to have taken place. Assuming trends were justified, this year's disappearance will probably fall somewhat below as the situation favors the use of substitutes for wheat, as corn and rye for human consumption and certain grains for stock feed.

Resume of outstanding points covered in our monthly statements
to date this season.

Although continental wheat supplies this year are near the same as last year, a number of other factors in the situation are much different. The chief points of difference are the larger wheat crops in Italy, Spain and France and the largest domestic supplies of feed grains in a number of years. The total increase in the wheat crop in deficit countries this year is more than 65,000,000 bushels or somewhat more than the amount of reduction in imports we have estimated. It is true that increased production in the deficit countries is favorable to increased consumption, but the good quality of the crop and its favorable price relationships with feed grains will decrease the proportion fed to livestock. Plentiful supplies of rye compete with wheat for human consumption in Northern Europe and corn in Southern Europe, especially in Italy.

In the surplus areas of the Danube the wheat crop this year shows a decrease of nearly 70,000,000 bushels or 19 per cent from last year's large crop. This appears sufficient to offset the increases in deficit countries but the corn crops were so unusually heavy that it now appears the Danubian countries can export somewhat more wheat than last year.

As far back as the first of September we indicated the Continental import requirements might be reduced as much as 16 per cent below last year, and as a maximum, level with last year. Since that time, the crop outturn has been found to be somewhat better than earlier expected and buying of foreign wheat has been much restricted because of free movement of domestic supplies and a record world visible supply. Governmental measures have forced dependence upon domestic grains and the weather has been unusually mild thus decreasing somewhat the consumption of grain generally. This general situation which has favored decreased demand for overseas wheat early in the season has caused us to revise the range of our estimates downward until it now appears that the lower limit envisaged early in the season may be near the actual outcome unless extra-developments occur.

It is true that a large part of the deficit calculated for the whole campaign is still to be filled but the lateness of the season with possible favorable developments for the new crop overseas may cause buyers to cover the remainder of their needs to the minimum extent in the belief that the new crop will force the old crop out of storage at the end of the season. On the other hand, if crops in North America look poor, buying will probably be very active during the closing weeks of the campaign, as it does not seem likely Europe will experience another year with such good grain crops as this year for some time.

With the above considerations to qualify our estimate of needs for the remainder of the season as we have estimated around 15 per cent below last year, it still appears that Continental European demand with expected demand from the British Isles and non-European countries will be sufficient to result in a significant decrease in world's supplies at the end of this season, compared with supplies at the beginning of the season.

Seeding of winter wheat on the Continent seems to have been somewhat larger than last year, although no official reports are available. The Fall weather was favorable to germination and growth, but the weather was somewhat too mild, with the result that the wheat has in places grown too fast and with little snowfall at present sudden and extensive changes in temperature will be detrimental. However, weather later in the winter will be more important than present weather in determining the condition of the crop next spring.

From our general observation of developments in European agriculture the future for continental wheat imports does not show any outstanding tendency toward increasing because of

1. Tendency toward a more varied diet.
2. Tendency toward slower increase in population.
3. Much propaganda toward self-sufficiency in wheat requirements in important countries.
4. Tendency toward increased yields and improvement in quality of domestic grain.

Imports from overseas from the first of July to October/November have been 31,000,000 bushels, or 1,500,000 per week, below the same period a year ago; the remaining 7½ months, according to our estimate of requirements, will show a decrease of about 25,000,000 bushels below the corresponding period last season, or only about 770,000 per week. For the 7½ months (32 weeks) ending June 30, 1930, average weekly imports from overseas on the basis of our estimate 15 per cent less imports for the whole season should amount to but 5,000,000 bushels, while they were 7,640,000 last year. Nevertheless, this means an improvement over the 4½ months (20 weeks) previous, for which weekly overseas imports may be estimated at 5,110,000 bushels this year, compared with 6,610,000 last year.

	1928-29 1,000 bushels	1929-30 1,000 bushels
Continental deficit	<u>373,509</u>	<u>320,769</u>
Net imports of deficit countries		
4½ months July to middle of November	a/ 149,031	a/ 131,174
Estimated share of Danube	16,534	29,395
Net imports minus share of Danube	<u>b/ 132,497</u>	<u>b/ 101,779</u>
Estimated net imports of deficit countries, 7½ months, ending June 30	c/ 263,617	c/ 230,380
Estimated share of Danube	19,805	11,390
Net imports minus share of Danube	<u>244,012</u>	<u>218,990</u>

See notes on following page.

- a/ Actual data, with estimates for Spain and Portugal included; these estimates assume the same percentage distribution of net imports over the year as in the case of the other 13 countries.
- b/ World shipments for these $4\frac{1}{2}$ months, with a lag of one month behind imports, were 99,207,000 bushels in 1929-30, and 137,787,000 bushels in 1928-29, thus approximating very closely the above figures; movements into and out of free port stocks account for the difference.
- c/ With rough estimates for Spain and Portugal included.

So far as the Continent is concerned, therefore, the world wheat market should improve in the later part of the season. Nevertheless average weekly takings of the Continent from now on are expected to be about 10 per cent below last year, a/ unless unusual new crop developments greatly alter the situation.

Continental wheat business during the early part of the current campaign showed a distinct prevalence of domestic wheat and neglect of overseas. Large sales from Continental surplus areas to deficit regions, heavy early marketing of the crop in deficit countries are a feature of the first three months of the season. Such movements resulted in an important accumulation of wheat stocks in trade channels, and caused considerable congestion in Continental ports, although receipts from overseas were moderate (and much below the two preceding seasons). Since October purchasers became more interested in overseas wheat, and takings increased compared with those from the domestic crop. At the same time the pressure of domestic marketings in deficit countries lessened gradually, with continued heavy movement from the Danube. Port stocks, and stocks in trade channels elsewhere, have tended downward since October and farm stock figures, where available, indicate a rapid rate of domestic marketings this year. December developments were very conservative, however, with business quiet in most of the important regions and only a limited revival becoming evident shortly before the Christmas holidays.

Domestic price developments so far this season have been mixed, but the tendency since the beginning of the campaign has been downward. Increases through July-August were followed by ups and downs over a period of three months, which reduced prices considerably below levels of the early part of the season. The second half of November and the first days of December experienced a generally upward price tendency, but prices since then have not been maintained. Roughly, those movements were in line with overseas tendencies, but the changes were in no way proportional: in other words, price-relationships between overseas and continental wheat have varied. The following table will illustrate these changes.

- d/ Or probably more than the weekly average shipments indicate that weekly imports during December and January will fall materially below our estimate of weekly average for December through June.

Table 13 .-- PRICE PER BUSHEL - SPREAD CHICAGO - EUROPE a/

Date	BERLIN		PARIS		GENOA		VIENNA		HUNGARY	
	"Märkischer"		Domestic		Domestic		"Vienna"		"Tisza"	
	wheat		wheat		wheat		Boden"		wheat	
	spot		nearest month		nearest month		spot		79/80 kg spot	
	1928	1929	1928	1929	1928	1929	1929		1929	
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	
Sept 6	+ 29.8	+ 17.7	+ 54.0	+ 21.9	+ 23.4	- 13.1	- 5.4	- 5.9		
Oct 4	+ 18.4	+ 17.3	+ 50.1	+ 24.1	+ 11.0	- 9.5	- 10.2	- 10.7		
Nov 8	+ 20.4	+ 23.6	+ 50.9	+ 31.8	+ 10.0	- 4.3	- 1.8	+ 3.5		
" 22	+ 21.1	+ 32.9	+ 47.6	+ 26.0	+ 9.3	- 4.1	- 1.3	+ 4.0		
Dec 6	+ 18.6	+ 30.9	+ 47.7	+ 23.5	+ 6.2	- 6.5	- 2.6	+ 3.4		
" 13	+ 17.2	+ 31.2	+ 46.8	+ 26.9	+ 8.2	- 1.7	+ 2.2	+ 7.5		
" 17	+ 16.8	+ 33.4	+ 46.4	+ 28.3	+ 9.2	- 0.9	---	---		
" 20	+ 16.8	+ 37.9	+ 46.0	+ 28.9	+ 10.0	+ 0.9	b/ 4.6	+ 9.9		

a/ Above (+) or below (-) Chicago.

b/ Estimate.

The price-spread shows a relative increase in domestic European prices compared with North-American during September-December 1929, that is an improvement in the import position of the latter. Last year, developments were the reverse. This is in line with the fact that 1929 domestic supplies experienced preference on the part of Continental buyers into November, with resultant more rapid curtailment of remaining domestic surpluses and growing dependence on overseas sources.

Price per bushel in German markets November 1928 and 1929 a/

	Nov 1928	Nov 1929
	Cents	Cents
Corn, Hamburg	131.6	108.5
Wheat, Berlin	137.1	150.3
Rye, Berlin	122.3	102.1
Barley, Breslau	108.9	83.0
" Leipzig	117.2	93.6
Potatoes, red, Breslau	54.3	36.7

a/ Corn prices for 1929 are from Wirtschaft und Statistik; for 1928 from the German Yearbook. The other prices are from Deutsche Reichsanzeiger.

Germany

The outlook for German imports of foreign wheat is for larger takings than last year by about 16,500,000 bushels a/. The crop of wheat was about 18,500,000 bushels less than last year but the rye crop was again large following the very heavy crop of last year, with the result that rye supplies are greater than a year ago. The relation of wheat to rye prices does not favor feeding of wheat this year as much as last year and special inducements are made by the government to encourage rye feeding so it appears that somewhat less wheat will be utilized as stock feed than

a/ This now seems likely to be too high. The editor considers it doubtful that the increase in exports will be as much as 10 million bushels.

last year. A study of the relationship of German wheat production to imports, trend of consumption as represented by disappearance of domestic wheat plus net imports, and rye production was made in order to determine the probable imports for the season 1929-30 based on the position of these factors this year. The government regulations enforcing the milling of a higher per cent of domestic wheat together with heavy farm marketing early in the season and the uncertain tendency in world prices has delayed import purchases.

That Germany must look to overseas sources for a large part of her wheat requirements the remainder of the season is indicated by comparatively low stocks of overseas wheat in trade channels, a rapid disappearance of the domestic crop as indicated by farm stocks and supplies available in surplus European countries.

German wheat prices have been higher than last year so far during the season and for the rest of the campaign 1929-30 somewhat higher prices are expected, with the average price of 1929-30 probably higher than last year. Domestic wheat prices showed a declining tendency during August and September, reaching the lowest level in September, October and the beginning of November, after which a slight improvement was registered. The price movement changed several times during the past two months but the tendency was generally upward. As compared with overseas prices domestic prices have strengthened continuously since September and have become much more favorable for importing grain.

The following table shows the development of domestic wheat and rye spot prices:

Table 14 .-- GERMANY: Price per bushel of domestic wheat and rye, November 6, 1929-January 22, 1930

Date	Wheat			Rye	
	Hamburg <u>a/</u>	Breslau <u>b/</u>	Berlin <u>c/</u>	Berlin <u>d/</u>	
	Cents	Cents	Cents	Cents	
Nov 6	159	143	144	97	
13	154	144	144	96	
19	160	146	149	100	
27	167	154	157	108	
Dec 4	168	154	158	106	
11	163	152	153	100	
18	163	152	157	105	
24	165	---	158	103	
31	167			103	
Jan 8	167			98	
15	169			96	
22	168			95	

a/ Wheat of any German district of at least 58.7 pounds per Winchester bushel.

b/ Wheat of any German district in carloads of 370 bushels of at least 58.7 pounds per Winchester bushel.

c/ "Markischer" wheat of 58-59 pounds per Winchester bushel.

d/ "Markischer" rye of at least 56 pounds per Winchester bushel.

The net import of wheat and flour into Germany during the period July through November amounted to about 29,000,000 bushels compared with 34,000,000 in the corresponding period 1928-29. About 5,000,000 bushels less than last year were imported up to December 1. This leaves about 56,000,000 bushels to be imported during the remainder of the season December 1 to July, compared with 35,000,000 bushels imported during that period last year. It appears that the trade stocks of foreign wheat, which were possibly somewhat larger than normal at the beginning of the season, owing to a large import before the last tariff increase, have greatly diminished in the meantime and are now below normal. The domestic crop 1929 was about 13 per cent smaller than last year and the quality very good though not much different from the quality of the 1928 crop. The turnover of domestic wheat from the 1928 crop was in no case abnormally large. On the other hand the movement of the domestic wheat crop in 1929 was quite rapid. Farm stocks of wheat on December 15 were about 15,000,000 bushels smaller than last year and stocks available for sale about 12,000,000 bushels smaller. The consumption of domestic wheat was stimulated greatly by a government order prescribing that from October 1 to January 31 50 per cent of the milled wheat by each individual flour mill must be domestic wheat. ^{a/} The trade stocks of domestic wheat are probably somewhat larger than last year but not so large as to have a depressing influence on prices. The fact that the German market has recently become quite sensitive to upward price turns in America seems to indicate that Germany will be in the market for larger purchases in the near future. Exports of wheat were running very large during September and October, but declined considerably in November, which is mostly attributed to the relative firmness of German quotations compared with prices in other countries.

The rye market has been greatly depressed until now and the outlook remains unfavorable for the rest of the campaign though some increase in prices is to be expected. Rye prices tended downward from the beginning of the campaign to the middle of November when the lowest level was reached. The improvement of wheat prices during the past two months caused a slight increase in rye prices. Rye prices have been very unfavorable during the whole campaign with the average price from August to November about 15 to 20 per cent lower than last year. The outlook for rye remains unfavorable owing to large stocks on farms and in trade channels. Rye exports were very large during the period September to November but showed a tendency to fall off following October.

German price developments and also the buying policy of the trade were to some extent affected by the proposals for tariff changes made during the past month. The government initiated a tariff bill which proposed a system of sliding duties on grain. The bill passed the Reichstag on December 21 after very important changes had been made. The most important items of the new tariff law are as follows: The government is authorized to stipulate the wheat and rye duties within given limits. The limits for the wheat duty are 22.69 and 61.59 cents per bushel and for rye 18.15 and 54.46. The Government must adjust tariffs if domestic wheat

^{a/} This is reported to have been extended to the end of February.

prices during a certain period fall below or rise above 168.6 cents for wheat and below or above 139.2 for rye. The present import certificate system a/ has been changed considerably by the new tariff law. Until now the import certificates had the full value of the duty. According to the new tariff law the value of the import certificate will remain unchanged at 42.14 per bushel for wheat and at 36.30 for rye if the tariffs are 42.50 cents and 36.30 cents respectively or higher, but if the tariffs are reduced below these points the value of the import certificate is reduced accordingly. The export stimulus resulting from the import certificate system will be as strong as it has been under the present system if prices are low, but will be less pronounced when the tariffs are higher, which is when the domestic price is comparatively low according to the system of sliding duties. The highest duties of 61.59 for wheat and 54.46 for rye have been made effective as a general duty and will become effective after the ratification of an amendment to the German Swedish trade treaty by the Swedish Parliament as it has already passed the German Parliament. The duties that have been in force against the most favored nations are 42.50 for wheat and 36.30 for rye. The wheat and rye flour tariff equals 150 per cent of the wheat duty plus 45.9 cents per 100 pounds. The tariffs on other grains have been changed too, but they do not have the character of sliding duties. The duty on brewing barley is fixed at 46.67 cents per bushel against the present 25.93 cents duty in effect against the most favored nations and a general duty of 36.30. The duty on feed barley was raised from 10.37 to 25.93; after December 31, the feed barley tariff, however, will again be reduced to 10.37 cents. The increase is only a temporary measure for the purpose of reducing the rye surplus by stimulating rye feeding. The duty on oats is raised to 27.66 cents per bushel; the present tariff against the most favored nations is 20.74 and the general duty amounts to 24.20. The value of the import certificate for oats is 20.74 per bushel and for brewing barley heavier than 52 pounds per bushel 23.71. Only for a contingent of 55,000 short tons can import certificates of 33.71 be given out during a calendar year. Import certificates for brewing and industrial barley cannot be used for payment of duties on feed barley.

The planned tariff measures have already had an influence on the German market. Wheat imports have increased since October, though still remaining smaller than last year. The import market for wheat and feed barley is expected to be very active in the near future before the new rates become effective. The total takings of foreign wheat during the season 1929-30 will probably be affected to a small extent, but the import requirements of foreign feed barley will undoubtedly be reduced materially by the new tariff.

The most important German rye exporters (Getreide-Industrie und Commission A.G. (the so-called Scheuer-Konzern), and the Getreide-Handelsgesellschaft) have made a provisioned agreement with the Polish Grain export syndicate with respect to export business in rye. Arrangements will be made from week to week relative to export prices in order to avoid an underbidding of both parties, especially in the Scandinavian market. The establishment of a German rye export syndicate similar to the Polish syndicate is being planned for the next campaign.

a/ A description of the "German Import Certificate System" was published in "Foreign Crops and Markets", 1926, March

France

The extraordinarily good crop of wheat in France has reduced their net import requirements to about half of last year's takings. With rather important stocks at the beginning of the year and a crop of about 334,000,000 bushels prices in France have been unprofitable to the producer and the government was urgently requested by grain farmers to devise measures for improving the wheat price situation. A resumé of the important features of the law follows:

Article 1. The new law makes it possible for the Minister of Agriculture to fix the lowest percentage of domestic wheat that millers are permitted to use in flour manufacture for bread making as well as for other food purposes. The power of fixing the limits of extraction of bread flour destined for domestic consumption is also given the Minister of Agriculture.

It is provided that within 15 days after the law has become effective millers must give figures concerning stocks of domestic and foreign grain flour and substitutes. After such an inventory has been completed it is obligatory for control purposes for millers to keep an exact record concerning arrivals and shipments. Contravention is punished by a fine of \$19.70 to \$1,970 and imprisonment of 3 months to 3 years.

Article 2. The addition of substitutes to bread flour for domestic consumption is optional and applies to rye only.

Article 3. The system of temporary admission is strengthened and if the importer fails to reexport grain or flour within three months the amount of the consigned duty must be paid to the Treasury. Furthermore, the delinquent will have to pay double the duty in accordance with the quantities not again reexported. In repeated cases the duties will be tripled. As a transitory measure this applies to all wheat declared in temporary admission since the 17th of November 1929.

Article 4. Within the limits of the quantities imported under the system of temporary admission a/ during July and August 1929 and the funds resulting from consigned duties on the same grain, duties will be refunded on grain exported either as grain or as flour within 3 months after the publication of the law according to conditions fixed by decree stipulated by the Ministers of Agriculture, Finance and Commerce.

Article 5. This article gives the Minister of Agriculture power to fix by decree the percentage of hard Algerian wheat permitted in certain food products.

a/ Gives the right to import a quantity of grain free of duty equal to the amount exported within a specified time.

Article 6. From now on the Government is authorized to proceed by decree to the levy of duties on cereals or their derivatives but a proposal of a law concerning ratification of such a decree must be submitted within 5 days following the signature of the decree.

The following important decrees relative to the France Law relating to wheat control have been announced::

Declaration of Stocks. The provision of Article 1 relative to the requirement that millers must declare stocks of wheat and flour on hand is set in force.

Percentage of Foreign Wheat allowed for Manufacture etc. according to Article 1. A decree setting this at 3 per cent is announced except for flour to be used in diet bread which may be as high as 80 per cent.

Under the provision of Article 4 some grain is being exported but as the funds in the government's hands for reimbursing of duties under this article amount to only \$4,609,800 only a limited amount of grain can be exported with the aid of a premium which is at present 80 cents per 100 pounds. The grain moving out is going to England, Belgium, Holland, Switzerland and to a small extent Germany.

Some difficulties are encountered in marketing wheat and flour in foreign countries and because of increased import duties and lack of demand for French kinds of wheat no material increase in French wheat exports is likely in the absence of export premiums. A study of wheat prices in various countries in comparison with prices in France indicates little in favor of importing French wheat with the added disadvantage of the duties.

With the evident need of some overseas wheat of certain grades and difficulties in exportation it appears that rather large stocks of French wheat will be carried over into the new season contrary to what appears likely in many other European countries.

Sowings of the new crop are at present in good condition but the weather has been too mild and prolonged low temperature could cause material damage.

Italy

Estimated wheat import requirements of Italy for the season 1929-30 show a considerable reduction from last year because of the unusually large domestic wheat crop together with an abundant corn harvest. Imports of 58,800,000 bushels appear probable from present conditions based upon a study of Italy's wheat imports in relation to domestic wheat production, trend of consumption and other factors.

The Italian purchases of foreign and especially of overseas wheat have been very small during the first part of the season 1929-30. Wheat imports from July to November amounted to 21,000,000 bushels as compared with 35,000,000 in the corresponding period of last year; this leaves about 37,000,000 to be imported during the remaining 7 months of the season compared with 57,000,000 imported last season during a similar period.

Native wheat was offered rather freely early in the season and with insufficient storage space to cope with such an exceptionally large movement prices of native wheat were depressed below the value of foreign wheat. The higher duty to some extent added to the disadvantage of foreign wheat.

The small purchases which were made in overseas wheat until now were practically all confined to hard varieties. Some of the usual requirements of overseas wheat have apparently been substituted by Hungarian wheat which is of excellent quality this year. The price spread between domestic wheat and American wheat has continued to develop favorably for overseas wheat since the beginning of the season, but the price relationship is still less favorable for overseas wheat than a year ago.

With stocks in trade channels now considerably reduced below early months and somewhat improved prices buying of foreign grain will show increased activity during coming weeks as still about two-thirds of the import requirements must be filled. It has been reported that a large part of the increased production this year was in Southern Italy and the Islands, where Durum is especially important. This is expected to reduce Italy's demand for Durum to a rather low figure.

Netherlands and Belgium.

Grain import business in the seaports Rotterdam and Antwerp has been unusually small during the first part of the campaign. The domestic flour mills had but limited requirements and their buying policy was generally reluctant. Germany which imports a large share of her foreign wheat through Holland and Belgium was only for short periods an active buyer and for weeks there was practically no demand from the German side. Port stocks increased considerably in September and October and reached a top level at the beginning of November. Since then a decline in port stocks took place. During the period August to beginning November an unusually large share of the transactions were made in Danubian wheat but later on the importance of Danubian wheat fell off considerably. The wheat crop in Holland turned out much better than was indicated by the very pessimistic condition reports of the summer which has somewhat altered the opinion on import requirements.

In the second half of November transactions in overseas wheat were fairly large with the German demand active in consequence of unfavorable Argentine crop reports and the expectation of a tariff increase. Later on the market quieted and only at times important transactions were made.

Danube Basin

The Danubian surplus countries disposed of the bulk of their wheat surplus much earlier this year than was the case in previous seasons. The total surplus available for shipment from July 1 to June 30, 1929-30 is comparatively high ^{for} several reasons. Our estimate now amounts to about 40,785,000 bushels compared with actual net exports of about 36,000,000 bushels in 1928-29. Thus, the estimate for 1929-30 is higher than for 1928-29, despite a 1929 crop considerably below 1928. One important factor in the situation is the corn crop. While last year the corn crop in South-eastern Europe was a near failure, it is very good this year (and also of good quality). As corn is an important crop for human consumption in a large part of the Danube area, besides its importance for stock feeding, a supply as large as this year's will release quantities of wheat for export greater than otherwise possible. There were also some supplies of old crop wheat still available at the beginning of the new season, particularly in Yugoslavia, which were exported during the early part of the new campaign, as soon as a satisfactory crop of both wheat and corn was assured.

As stated above, much of the Danubian surplus is already sold, and exported. Another feature of the current Danubian campaign is the greater share of exports to Western Europe and the Scandinavian countries. These shipments are effected down the Danube by sea route. The following table shows developments of Danube shipments both by four week periods and accumulated since August 1, with comparisons for the five preceding seasons.

Table 15. - Danube shipments to Europe ^{a/}

Four week period b/	: 1924-25	: 1925-26	: 1926-27	: 1927-28	: 1928-29	: 1929-30
	: 1,000 bu	: 1,000 bu	: 1,000 bu	: 1,000 bu	: 1,000 bu	: 1,000 bu
Aug 1 - 29	: 1,029	: 367	: 808	: 294	: 73	: 698
Aug 30-Sept 26	: 294	: 845	: 845	: 1,323	: 257	: 3,013
Sept 27-Oct 24	: 294	: 772	: 1,580	: 808	: 588	: 3,821
Oct 25-Nov 21	: 110	: 220	: 1,800	: 331	: 625	: 3,160
Nov 22-Dec 19	: 73	: 441	: 472	: 404	: 184	: 3,160
Since Aug 1	: 1,800	: 2,645	: 5,511	: 3,160	: 1,727	: 13,852

^{a/} A much larger share of the exportable surplus is reported to have moved down the Danube this year.

^{b/} For 1929. Other years, nearest comparable period.

Danubian shipments to date were therefore more than twice as high as during any of the corresponding periods 1924-1928, and 8 times as high as the lowest corresponding figure, 1924-28. Data on exports by railroad - mostly to Austria, Southern Germany, Czechoslovakia, Switzerland and Italy - are not available, but it may be assumed that considerable quantities have moved out also in that direction.

Important reduction in remaining surpluses, therefore, has taken place and supplies still available for export from the Danube Basin are moderate. Price developments confirm these assumptions.

Price-spread per bushel

Hungarian Tisza Wheat, 79/80 kg., spot, above (+)
or below (-) Chicago Futures, nearest month 1929.

	<u>Cents</u>		<u>Cents</u>		<u>Cents</u>
Sept 6	- 5.86	Nov 18	+ 3.50	Dec 20	+ 9.91
Sept 20	- 6.05	Nov 22	+ 3.95		
Oct 4	-10.70	Dec 6	+ 3.38		
Oct 25	+ 6.37	Dec 13	+ 7.30		

Longer periods considered, the tendency of the price-spread is distinctly in favor of North American wheat. The Hungarian price tendency represents roughly also the tendency in Yugoslavia. These price developments are to some extent also indicative of the development of export sales. August, September and October were months of active export business and shipments, November and December sales were still of moderate volume, but considerably below previous months.

Business in the Danubian deficit regions, Austria and Czechoslovakia has been only medium to date, and considerable import requirements will still have to be filled. Czechoslovakia, for instance, imported 4,646,000 bushels, July-October, 1929, while last year she imported 7,205,000 bushels during the same period. According to our estimate imports November-June, 1929, will be 13,375,000 bushels, compared with 9,643,000 last year.

Poland

The domestic grain market in Poland has been depressed much of the season and import demand quiet. The good wheat crop and large rye crop have combined to have a depressing effect on the market. Offers have been large most of the time but buyers were generally reluctant. The rye market has been poorer than the wheat market because of the large export surplus of rye. Polish rye exports have had to meet the competition of German rye which was offered in large quantities in the Scandinavian export markets. In November a system of export bounties was introduced for grain and flour. For carrying through the export bounty system a central export organization was established which grants export contingents for which export bounties are paid. The introduction of export bounties had a favorable influence on wheat and rye prices in November and early December but later prices fell off as contingents were rather small. There have been negotiations with the most important German rye exporters which have led to a provisional agreement concerning the marketing policy in doing business with Scandinavian countries. From January 1, 1930 on there will be some control of the German and Polish rye exports to the Scandinavian countries with the purpose of avoiding an unfair competition. For the campaign 1930-31 a close co-operation between the Polish and German rye exporters is planned.

Soviet Russia

Imports or exports of wheat are unlikely during 1930. The more or less unsatisfactory crop results of 1929 a/, the considerably higher procuring results b/, the economy practiced in the domestic grain consumption c/ and the strenuous efforts of the Soviet Government to bring agriculture into line with developments in industries other than agriculture are the chief bases for this assumption. On the other hand, 1930 exports of wheat are very unlikely despite recent rumors of Russian offers and possibly sales having occurred inasmuch as there is a considerable degree of uncertainty as to the future outturn of both gross and commercial crops in 1930 and the necessity of building up reserves.

However, any extraordinary events, such as complications in foreign relations, unforeseen increase in the demand for products of the heavy industries or any difficulties arising from the rapidly increasing rate of collectivization of Russian agriculture, may tend to force the Government to take recourse to measures previously thought unlikely. Apart from such possibilities, however, it is not probable that the Soviet Union will exercise any noticeable influence on the world wheat market during the current agricultural year and a few months beyond that period. All further developments will depend upon the outturn of the 1930 grain crop and any material changes in the 1930 crop from that of the foregoing year may bring about changes in Russia's plans which cannot be clearly foreseen.

It is quite possible that Russia may experience one of her dry years in 1930; weather reports, therefore, will have to be carefully watched as any unfavorable development in that respect will naturally cause a tightening of the domestic grain market and will hamper the execution of Government's plan materially. Present Government plans provide for a renewal of grain exportation at the end of the 1930-31 but indications to that effect are still rather vague.

a/ It is officially stated that the 1929 crop of all grains is 4.9 per cent above that of the previous year but downward revisions are likely. The bread grain crop, however, was even reported somewhat short of that of 1928.

b/ Procurings this year having amounted to 14 million short tons to December 1 compared with 5 million procured during the same time last year and 10 procured during the whole of the 1928-29 season.

c/ The application of the so-called "bread card"

The 1930 plan foresees an increase of total grain production of 16 per cent as compared with 1929 based on a 10 per cent increase of acreage under grain and some 8 per cent increase of the yield. a/ It is apparent that this plan cannot be accepted without reservations, but it should not be forgotten that all Government authorities are well aware of the importance of the current agricultueal season and that the Government will do the utmost to execute its plans.

Autumn seeding - the first stage of the agricultural campaign - did not prove a 100 per cent success, the Government plan of a 7 per cent increase of acreage having been nonexecuted by some 2- to 3 per cent. This was chiefly due to prolonged period of dryness prior to and during the normal sowing period. It will be important to note that an increase of acreage even larger than foreseen by the plan took place in several less important regions, whereas the acreage showed an increase smaller than provided for by the plan or remained stable b/ or decreased or in important regions such as Ukraine, North Caucasus and Lower Volga. Winter wheat generally shows more resistance to adverse vegetation conditions than wheat sown in spring and summer droughts, most detrimental to spring wheat occur more often than winter kill.

It is also important to mention the collectivization of the Russian village which is the outstanding feature of the current agricultural year. The above mentioned plan of the State Planning Committee foresees a further spreading of collectivization and no less than one-third of the total spring acreage of USSR is to be sown by collective farms. Taking into consideration the large increase of acreage of the Soviet Farms as well, the socialistic sector of Russian agriculture will play an extremely important role next year. In spite of the difficulties which the rapid rate of collectivization of Russian agriculture present they will be, at least, partially offset by the comparative ease with which a part of the 1930 grain crop will be procured by the Government because of the greater influence the Government is able to exercise over both Soviet and collective farms.

-
- a/ Present official estimates of the 1929 crop indicate 84.1 million short tons but it is likely that downward revision will take place.
- b/ Latest reports indicate that the total acreage sown to winter wheat remains unchanged compared with last year. The increase in the total grain acreage is due to the increased rye sowings.

Table 16.-- WHEAT: Balances, season July 1 to June 30

Country and item	1928-29	1929-30
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
<u>GERMANY</u>		
Production	141,593	123,090
Net imports:		
July - Oct	28,507	24,559
Nov	5,002	4,189
Dec - June	34,989	
Apparent utilization	210,091	
<u>ITALY</u>		
Production	228,596	260,657
Net imports:		
July - Oct	26,914	9,847
Nov	7,211	11,574
Dec - June	55,521	
Apparent utilization	318,342	
<u>FRANCE</u>		
Production	261,285	319,863
Net imports:		
July - Sept	12,693	17,517
Oct	4,305	2,682
Nov - June	34,334	
Apparent utilization	332,617	
<u>BELGIUM</u>		
Production	17,986	15,995
Net imports:		
July - Sept	11,000	12,067
Oct	3,392	4,027
Nov - June	26,970	
Apparent utilization	59,346	
<u>NETHERLANDS</u>		
Production	7,336	4,636
Net imports:		
July - Oct	9,903	10,765
Nov	2,521	2,968
Dec - June	16,396	
Apparent utilization	36,155	
<u>CZECHOSLOVAKIA</u>		
Production	51,499	48,065
Net imports:		
July - Sept	4,705	3,459
Oct	2,462	1,137
Nov - June	10,006	
Apparent utilization	68,692	

Continued

Table 16.-- WHEAT: Balances, season
July 1 to June 30 - Continued

Country and item	1928-29	1929-30
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
<u>SWITZERLAND</u>		
Production	4,270	2/ 5,791
Net imports:		
July - Oct	5,272	7,670
Nov	1,134	962
Dec - June	9,089	
Apparent utilization	19,765	
<u>GREECE</u>		
Production	13,085	8,481
Net imports:		
July - Sept	4,299	4,740
Oct	1,185	1,543
Nov - June	16,659	
Apparent utilization	35,228	
<u>DENMARK</u>		
Production	12,214	
Net imports:		
July - Sept	3,201	2,017
Oct	1,132	960
Nov - June	12,711	
Apparent utilization	29,258	
<u>POLAND</u>		
Production	59,219	60,259
Net imports:		
July - Oct	2,673	225
Nov - June	1,036	
Apparent utilization	62,978	
<u>SWEDEN</u>		
Production	19,155	18,724
Net imports:		
July - Oct	2,915	3,293
Nov	454	524
Dec - June	4,181	
Apparent utilization	26,708	

Continued

Table 16.-- WHEAT: Balances, season
July 1 to June 30 - Continued

Country and item	1928-29	1929-30
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
<u>FINLAND</u>		
Production	998	1,095
Net imports:		
July - Sept	1,575	1,553
Oct	853	565
Nov - June	3,864	
Apparent utilization	7,093	
<u>LATVIA</u>		
Production	2,499	2,366
Net imports:		
July - Aug	404	551
Sept	294	257
Oct - June	2,094	
Apparent utilization	5,291	

1/ Includes spelt.

Southwest Germany has a market for wheat and flour
from the United States

The American Consulate at Stuttgart makes an interesting report upon the market for wheat and flour in southwest Germany. The Consulate circulated a questionnaire to a number of flour mills and leading grain and flour dealers in the district. The majority of grain and flour dealers, in answering the Consulate's letter of inquiry, gave it as their opinion that there was a possible market in this district for wheat from the United States but not for flour. The most informative of the replies, translated, reads as follows:

"In reply to your inquiry of November 6, 1929, we have to inform you that American wheat does have a market here and this despite the efforts of the German Government to protect home grown wheat. The reason why American wheat is required is due to the fact that German wheat is not sufficiently glutinous and in order to mill a flour suitable for baking purposes, American wheat must be added to the local wheat. It may be that this year the competition of Argentinian wheat has somewhat lessened the demand for wheat from the United States."

"It does not pay to import wheat flour here because the custom's duty is too high on it."

The custom's duty on wheat flour is 14.50 marks per 100 kilograms, or nearly \$1.57 per hundred pounds.

A certain percentage of high grade American wheat is often mixed at the mills with the locally grown wheat to improve the quality of the flour. Domestic wheat sells in Stuttgart at about 166.9 cents per bushel, whereas American wheat is priced here at 194.3 to 212.3 cents per bushel according to quality.

The cost of freight and insurance on wheat from Chicago to Rotterdam is reported at approximately 12.24 cents per bushel and the freight from Rotterdam to Mannheim is approximately 5.44 cents per bushel. These are freight charges paid on wheat imported from the United States. The import duties on wheat coming from the United States are 41.90 cents per bushel and on Canadian wheat 48.62. The total freight and duty charges, therefore, on American wheat laid down at Stuttgart would be about 59.6 cents per bushel.

An article appearing in the Freiburger Zeitung for November 11, 1929, which reported this inquiry and replied to it, is of great interest. A translation of this article follows:

"A number of Mannheim flour dealers, grain dealers and even grain mills in Mannheim have received a circular questionnaire from the American Consular Service in Stuttgart, requesting information as to the market in Mannheim for wheat and wheat flour. It is stated therein that 'the Consulate is especially interested to learn if there is a possibility of importing wheat and wheat flour from the United States into this district, if these American products are offered for sale at this time, and if so, how the prices for American wheat and wheat flour compare with those for local products.' The fact of the matter is that on account of the custom's duty, American flour cannot be considered for import into southern Germany. Nevertheless, this question is much talked about in interested circles. Foreign mills at earlier periods have exported de luxe flour to Germany by 'dumping', whereby, it is true, the prices for German de luxe products of at least as good a quality were forced below the normal. But the German mills were forced thereby to raise the prices of the general grade of products necessary for the maintenance of the German people. The large mills in the Mannheim-Ludwigshafen-Worms center have lost important markets through the separation of Alsace-Lorraine and the more difficult traffic with the Saar. The remaining markets they can maintain only by furnishing flour of quality, but in this they are hindered by the regulations compelling the admixture of other grains in making flour. The results on the South-German milling industry cannot be foreseen if the much talked-of compulsion for mixing 15 per cent of rye with wheat would come into force, and if America would go so far in its assistance to farmers to increase its export by 'dumping'. The capacity of the German mills for purchasing German wheat would thereby be considerably

diminished, at a time when the export of German mill products had been greatly decreased as a result of unfavorable commercial treaties. An important means of helping the farmers would thereby have to be given up. In addition we have been informed that some attempts have been made to import flour from Manitoba via Hamburg to Mannheim, but with little success, as this flour proved much too glutinous and could not be used alone but only when mixed with German flour. Compared with this mixture German mixed wheat flour was found to be of at least equal quality."

Egypt as a potential flour market

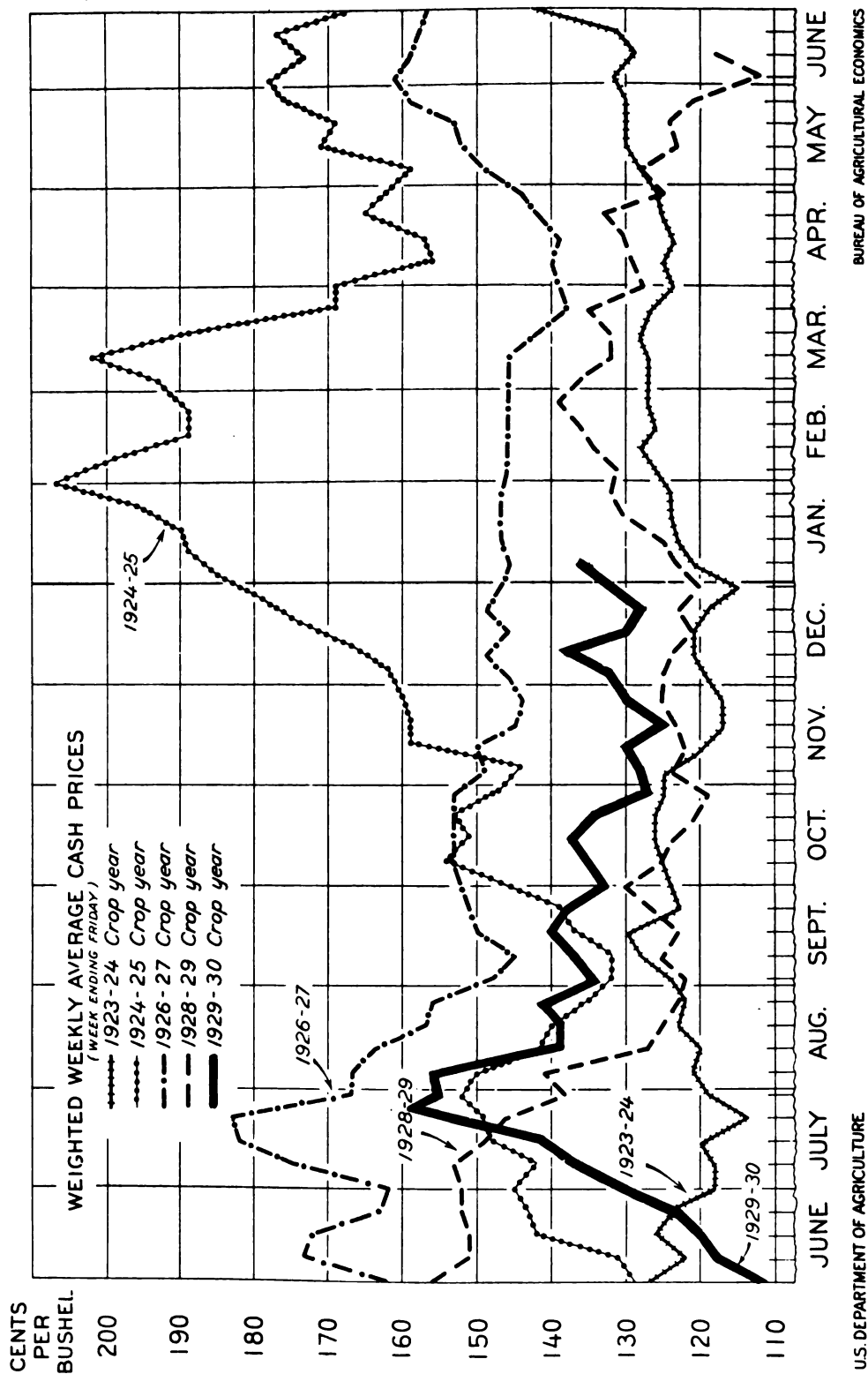
Egypt is a potential market for increasing quantities of flour according to a report by American Consul, Raymond H. Giest, received in the Foreign Service of the Bureau of Agricultural Economics. Egypt now consumes approximately 1,150,000 short tons of wheat and flour annually with a present population of about 12,400,000. About 25 per cent of this is imported, mostly in the form of flour. Bread constitutes the chief article of food for the Egyptian peasants and laborers, but at present, the consumption of white flour is confined largely to the urban population. Consul Giest states therefore, that if the price of wheat flour was such that the poorer people could buy it or in the advent of an increased purchasing power and a higher standard of living, Egypt might consume a considerably larger quantity of wheat and flour than at present.

Wheat production in Egypt has increased very little since 1920 and being a winter crop, its cultivation, unlike that of cotton, is not particularly affected by the development of irrigational projects. Wheat growing enters into competition with beans, barley, berseem, onions, lentils, and a few minor crops.

Wheat imports are principally from Australia as that wheat can usually be obtained at a lower price than other wheats, its color is well suited to the trade, and Australian firms generally grant more favorable terms than either American or Canadian firms. However, American and Canadian flours of superior quality are imported when the price is sufficiently low. Italian flour has of late been offering severe competition with American "Durum", according to Consul Giest.

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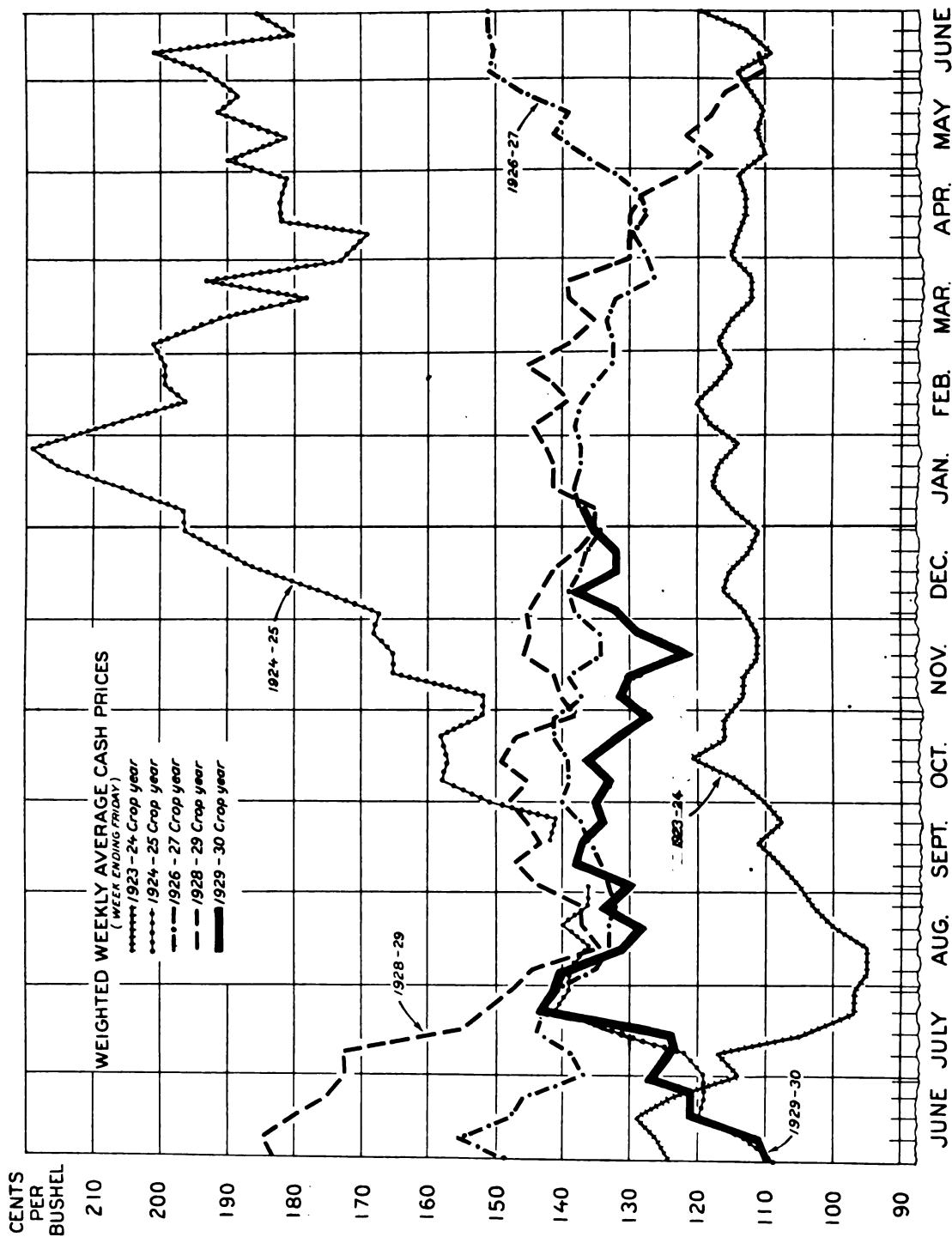
WHEAT: PRICE OF NO. 1 DARK NORTHERN SPRING AT MINNEAPOLIS



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U.S. DEPARTMENT OF AGRICULTURE

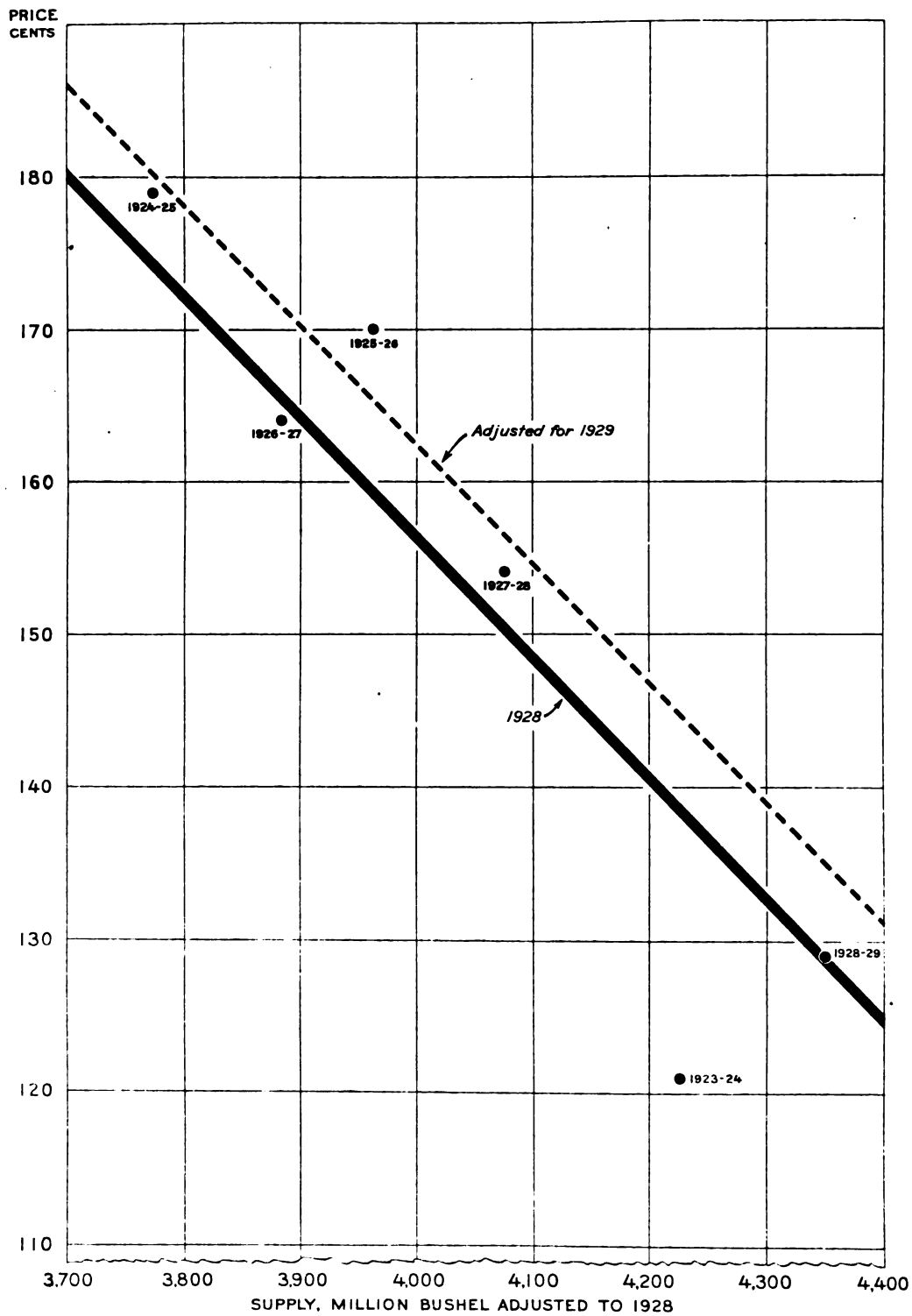
WHEAT: PRICE OF No. 2 RED WINTER AT ST. LOUIS



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THE WORLD WHEAT SUPPLY AND PRICES

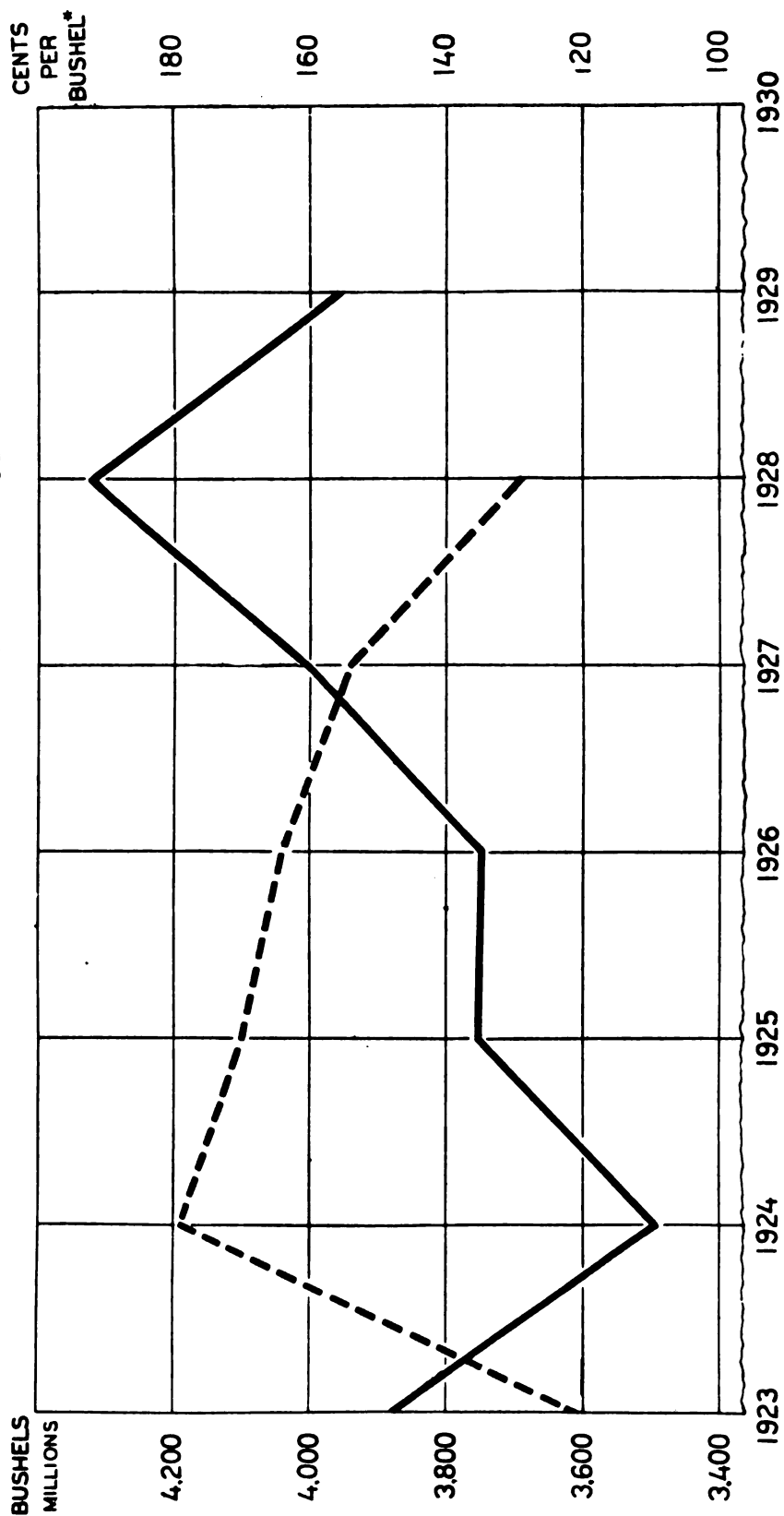


SUPPLIES INCLUDE PRODUCTION AND STOCKS ACCOUNTED FOR JULY 1 AND ADJUSTED TO 1928 BY ADDING 70 MILLION BUSHELS PER YEAR FOR ANNUAL INCREASE IN DEMAND. PRICES ARE AVERAGE BRITISH PARCELS TO REPRESENT THE WORLD MARKET PRICES

U.S. DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS

WHEAT: WORLD SUPPLIES AND PRICE



* AVERAGE BRITISH PARCELS REPRESENTING WORLD MARKET PRICES

THE SUPPLIES REPRESENTED ABOVE INCLUDE WORLD PRODUCTION AND ACCOUNTED FOR CARRY-OVER, AND THE PRICE IS THE AVERAGE OF BRITISH PARCELS

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
WH-46

February 20, 1930

FOREIGN NEWS ON WHEAT

WORLD WHEAT CROP AND MARKET PROSPECTS

The world wheat supply situation has not changed materially in the past month. The estimate of the Australian crop has been increased and of the Argentine crop reduced, making no material change in the world's total crop. The world's visible supply continues large but the visible supply in the United States has been reduced by about 40 million bushels since October. Stocks are large in Liverpool but small at many of the Continental European ports, and the amount of wheat afloat is much smaller than a year ago.

The takings of European importing countries continue small. In many of the European countries, particularly Germany, Italy and Austria, prices have risen in relation to prices in the United States, and it seems likely that the imports of these countries will increase during the remainder of the season. Chinese markets may also become more active toward the end of the season.

Areas seeded for the 1930 crop reported to date total slightly less than the estimates of winter seedings or harvestings in the same countries in the past season. Average abandonment would reduce the area to be harvested in the United States. No data are available as to average abandonment in other countries. It is practically impossible to estimate the condition of winter-sown crops in Europe. To date the winter has been mild and reports from some European countries indicate rank growth which may be more than usually susceptible to freezing or disease. It is interesting to note that

Italy reports reduced acreage. Average yields on the reported acreage would produce a crop nearly 60 million bushels less than the official estimate of the 1929 crop.

Reports of sporadic shipments or sales from Russia have aroused much interest. Total sales and shipments to date have not been large and are not likely to become large. The government failed to secure any increase in winter wheat seedings and seems to be struggling against odds to secure a material increase in spring seedings.

Prices

The improvement in prices expected in February has not materialized. The foreign demand for wheat from the United States continues disappointingly weak. Low prices of feedstuffs and rye have tended to weaken the demand for wheat in many European countries. Other important factors in the situation have been a declining general price level, difficult financial conditions, and business depressions, which have tended to force early marketings in many countries and to encourage hand-to-mouth buying on the part of consumers and importers. These conditions continue to be a factor in the situation. There is some hope for wheat prices on account of reduced supplies available from the Southern Hemisphere and a tendency for credit conditions to improve.

It still seems likely that the European demand for foreign wheat will increase and that larger quantities will be taken from the United States in the latter part of the season. The world carryover of old wheat at the end of the season probably will be fairly large but smaller than a year ago, with very small supplies in the Southern Hemisphere. These conditions point to the possibility of a more favorable market in May, June and July unless conditions in Europe should become favorable for another large wheat crop and an early harvest.

World Production and Crop Conditions

Changes in the estimates of Argentina and Australia do not require any change in the estimate of world production, which is still placed at 3,415 million bushels, as compared with 3,943 millions last season.

The Australian crop is now officially estimated to be 125 million bushels, an increase of 13 million bushels over the first estimate but still 35 million bushels less than the harvest of the previous crop. This official estimate is exactly in line with the outturn indicated by weather conditions in October. It may be recalled that in October we published an analysis of the relation of the weather to yields, indicating that the outturn of the crop should fall between 115 and 135 million bushels. Apparently the Australian crop was harvested under favorable conditions and a large part of it is now in the visible supply.

The second official Argentine estimate was 140 million bushels, slightly less than the first official estimate and 200 million bushels less than the outturn of the previous crop. While the official estimate is nearly in line with the outturn indicated by an analysis of the relation of weather to yields, we are still inclined to expect a somewhat larger outturn. In the past few years the outturn of the crop has been somewhat higher than would be indicated on the basis of reported area and calculated yields. We are inclined, therefore, to add about 15 million bushels to the calculated figure 145 millions and expect the Argentine crop to turn out to be about 160 million bushels, as compared with about 340 millions harvested in the past season.

These changes in estimates indicate that the new crop supplies from Argentina and Australia are about 215 million bushels less than the amount available from the previous crops. Argentina may have had on hand, January 1, about 20 million bushels of old wheat. In Australia, on the other hand, the old crop had been well cleaned up. It is apparent that these countries cannot ship large amounts weekly through the next three or four months without exhausting their surpluses early in the season.

Fall and winter seedings of wheat reported to date in eight countries total about 100,208,000 acres as compared with 103,052,000 acres seeded or harvested in the same countries a year ago. The only significant increase is the two per cent increase in the United States, and average abandonment would reduce the winter wheat area to be harvested below the area harvested a year ago. Last year the estimated abandonment in May was only 6.4 per cent, about half the average of the past ten years. India, Canada, Rumania and Italy have all reduced winter seedings.

India will soon begin harvesting a new crop from an area which may be less than last year. The first estimate of area is 29,319,000 acres, 4 per cent below the first estimate in 1929. Good rains have fallen and the second estimate, which is issued in March, may show some increase over the first estimate. The condition of the wheat crop in India on the irrigated areas is reported to be average or above and on the unirrigated areas, average or below.

The early estimates of the North African crops are not very dependable. The first estimate of the Algerian acreage is slightly below the corresponding estimate of 1929, and the wheat area of Tunis is estimated to be the same as a year ago. In so far as it is possible to draw any conclusion from available reports, it seems that the preparations for the North African crop are not any better than a year ago.

The area seeded in Rumania, Bulgaria and Italy totals 21,900,000 acres, about 700,000 acres or 3 per cent less than the estimates of areas harvested in 1929. Bulgaria increased the area seeded but Rumania cut hers materially. It is doubtful that these countries will produce any significant amounts for exports next season. Italy reports 11,752,000 acres seeded, which is 51,000 acres less than the estimate of the area harvested in 1929. A reduction in Italian yields to normal would be more significant than this curtailment in area. In the past season the yields were large and average yields on the estimated area sown would result in a crop 60 million bushels less than the official estimate of the 1929 crop.

Wheat was seeded in Europe under generally favorable conditions. The winter has been mild in contrast with the hard winter of a year ago. Mild weather has left the winter areas for the most part without snow cover and reports contain some complaints of the growth being too rank. Austria reports some winter damage, with conditions, however, being above average. Europe has had good yields for some years and a return to average yields would reduce the available home supplies in some of the important European countries.

The Russian Government is planning to secure an increase in spring seedings. Reports to date indicate that winter rye seedings were increased but that the Government failed to secure an increase in the fall-sown wheat area. Reports now indicate difficulty in securing seed and machinery for carrying out the Government program for spring seeding.

Statistics of the area and production of wheat and rye in Europe are presented below for reference in connection with reports concerning Russian surpluses and plans for spring seedings. It will be noted that a large proportion of the wheat area is sown in the spring, whereas practically all of the rye is seeded in the fall. A successful spring seeding campaign, therefore, has more significance in relation to wheat than to rye.

The condition of the winter crops is reported to be satisfactory. More moisture is needed in the southeastern part of European Russia. Recent severe frosts have extended south into Ukraine and middle Volga region.

The Government plans an increase of 20 per cent in the spring wheat area but it planned an increase of 7 per cent in winter seedings and secured no increase in the winter wheat area. Some increase in spring seedings may be realized out, considering all the difficulties involved in carrying out the Government plan, it seems doubtful that an increase of 20 per cent can be realized.

Table 1. - RUSSIA: Acreage, production and exports of wheat and rye, average 1909-1913, annual 1920-1929.

Crop and year	Acreage			Production			Net exports
	Total	Winter	Spring	Total	Winter	Spring	:year beginning July 1
	Million acres	Million acres	Million acres	Million bushels	Million bushels	Million bushels	Million bushels
WHEAT							
Ave. 1909-1913:	74	--	--	759	--	--	164
1920	48	11	37	320	103	217	a/
1921	38	10	28	205	69	136	a/
1922	22	8	14	243	110	133	b/ 7
1923	39	a/	a/	419	a/	a/	21
1924	53	16	37	472	180	292	c/
1925	61	19	42	757	262	495	27
1926	72	22	50	869	313	556	49
1927	77	26	51	752	312	440	5
1928	66	16	52	783	159	624	c/
1929	74	16	58	--	--	--	d/ 1
RYE							
Ave. 1909-1913:	61	--	--	736	--	--	29
1920	47	46	1	368	359	9	a/
1921	48	47	1	411	395	6	a/
1922	45	45	1	568	563	5	a/
1923	64	a/	a/	784	a/	a/	53
1924	69	67	2	737	722	15	3
1925	71	69	2	889	871	18	7
1926	70	69	1	926	907	19	17
1927	69	68	1	945	926	19	--
1928	64	63	1	756	740	16	--
1929	60	--	--	--	--	--	--

Compiled from official and trade sources.

a/ Not available.

b/ Commercial source.

c/ Less than 500,000 bushels.

d/ July 1, 1929-February 7, 1930.

Table 2.--WHEAT PRICES

Closing prices of May futures

Week ended	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires
	1929	1930	1929	1930	1929	1930
Jan 2:	119	135	111	127	112	134
9:	121	132	114	125	115	132
16:	123	127	116	120	118	127
23:	128	128	121	121	122	128
30:	127	120	120	114	121	120
Feb 6:	127	121	119	113	121	120
13:	133	123	124	116	126	123
20:	133		125		127	

a/ Prices are of day previous to other prices.b/ February futures.

Weighted average cash prices at stated markets, United States

Week ended	All classes and grades	No. 2	No. 1	No. 2	No. 2	Western white
	Hard winter	Da.n.spring	Amber durum	Red winter	St. Louis	Seattle
Dec 6:	109	130	113	125	124	138
13:	107	122	111	120	121	130
20:	107	120	111	118	123	128
27:	106	123	110	122	120	132
Jan 3:	105	126	108	125	123	136
10:	108	123	108	121	125	133
17:	115	121	114	118	130	131
24:	118	122	119	118	132	131
31:	117	118	117	114	131	127
Feb 7:	117	117	117	112	134	125
14:	119		118		136	

a/ Weekly average of daily cash quotations basis No.1 sacked 30 days delivery.

Table 2.--WHEAT PRICES, Cont'd.

Liverpool prices

Week ended	Near futures: close	No.1 N. Manitoba	No.3 N. Manitoba	No.2 hard winter shipping	Rosafe 63 $\frac{1}{2}$ lb
	Cents	Cents	Cents	Cents	Cents
1929-30					
Dec 6	137	162	156	143	140
13	133	158	152	136	186
20	132	156	149	135	132
27	134	157	151	136	135
Jan 3	144	162	157	146	139
10	139	156	a/ 153	142	137
17	130	152	a/ 147	137	133
24	132	151	145	136	131
31	123	146	140	132	132

a/ Afloat.

Exports

Shipments from exporting countries continue to be relatively small. Both Argentina and Australia are moving their new crops at a fairly rapid rate considering the size of the supplies to be moved. Russia has shipped small amounts in the past few weeks. Shipments from the Danube countries have declined. North American wheat is moving in moderate volume. Exports of wheat from the United States in the six weeks, January 4 to February 8, amounted to nearly 10 million bushels as compared with 4 millions in the corresponding weeks of the past season. Including flour, exports amounted to 15 million bushels against nearly 10 millions in the first six weeks of 1929.

Considering the slowness of the movement of wheat from North America we again made slight reductions in our estimates of net exports for the season and correspondingly increase our estimates of carryover in surplus producing countries. It now seems likely that surplus stocks in the principal exporting countries on July 1, 1930 will be about 150 million bushels less than on July 1, 1929.

Table 3.--WHEAT, INCLUDING FLOUR: Shipments from principal exporting countries

Country	:Total shipments:		Shipments, week			:Net movement from July	
	: or exports :		ending			: as far as reported	
	:1927-28:	:1928-29:	Jan 25:	Feb 1:	Feb 8:	To and incl.:	:1928-29:1929-30
	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :		: 1,000 : 1,000
	:bushels:	:bushels:	:bushels:	:bushels:	:bushels:	Date	:bushels:bushels
North America <u>b/</u> :	452,423:	499,942:	5,619:	6,212:	6,136:	Feb 8	:344,394:186,419
Canada 4 mkts. <u>c/</u> :	333,335:	458,649:	1,143:	2,140:	1,414:	" "	:355,503:127,673
United States	:206,259:	:163,687:	:1,786:	:2,970:	:2,775:	" "	:102,369:101,527
Argentina.....	:178,135:	:216,722:	:4,216:	:2,742:	:2,339:	" "	:94,758:117,225
Australia.....	:72,962:	:107,937:	:2,728:	:1,216:	:2,056:	" "	:53,664:34,072
Russia.....	:5,408:	:8:	:0:	:256:	:456:	" "	:8:712
Danube & Bul. <u>d/</u> :	32,847:	33,842:	:80:	:128:	:16:	" "	:2,048:15,440
British India..	:15,668:	:21,739:	:0:	:0:	:0:	" "	:5,584:273
Total <u>f/</u>	:757,443:	:836,712:	:12,643:	:10,554:	:11,003:		:500,456:354,141

Compiled from official and trade sources.

a/ Preliminary. b/ Bradstreet's, weeks ending Thursday, includes flour converted at 4.5 bushels per barrel. c/ Port William, Port Arthur, Vancouver and Prince Rupert. d/ Hungary, Yugoslavia, Rumania and Bulgaria. e/ Net imports. f/ Total of trade figures, including North America as reported by Bradstreets.

Table 4.-- World quantities of wheat and flour on passage, by weeks, 1928-1930

Week	: 1928	: 1929	: 1930
	: <u>1,000 bushels</u>	: <u>1,000 bushels</u>	: <u>1,000 bushels</u>
Jan 7	: 46,080	: 53,160	: 28,208
" 14	: 45,096	: 57,560	: 32,672
" 21	: 48,712	: 60,416	: 33,272
" 28	: 55,224	: 63,024	: 35,800
Feb 4	: 59,264	: 64,768	: 37,632
" 11	: 65,520	: 71,424	: 39,464

Table 5.--WHEAT, INCLUDING FLOUR: Net exports from principal exporting countries

Country	Preliminary		Net exports	
	1928-29	estimates	July 1:	1928-29
		1929-30	to	1929-30
	Million bushels	Million bushels		Million bushels
United States	142	190 - 210	Feb 8	102
Canada	421	200 - 220	Dec 31	279
Hungary	24	20 - 24	Oct 31	7
Yugoslavia	8	15 - 25	Dec 31	6
Argentina	217	180 - 190	Feb 8	95
Australia	108	65 - 75	Feb 8	54
Total	920	670 - 744		543

Table 6.--WHEAT: Carryover or stocks accounted for July 1, 1928 and 1929, and probable carryover or stocks, July 1, 1930

Position	1928	1929	1930 (Probable)
	Million bushels	Million bushels	Million bushels
United States	128	245	200 - 220
Canada <u>a/</u>	114	125	90 - 110
Argentina <u>a/</u>	78	114	30 - 50
Australia <u>a/</u>	30	33	20 - 30
United Kingdom, port			
stocks & floating supply:	60	61	50 - 60
Total	410	578	390 - 470

a/ Only surplus for export or carryover at end of season.

The United States

Consumption of wheat in the United States during the first half of the season has probably been about equal to that of the corresponding period of the past season. A two per cent increase in winter seedings of wheat would consume a small additional amount of wheat. Commercial mill grindings from July 1 to December 31 amounted to about 296 million bushels, compared with 297 millions in the corresponding period of the previous season. With a fairly large carryover of old wheat on hand and wheat prices low through a part of the season, the consumption of wheat on farms has probably been about equal to that of the corresponding period of the past season. The report of wheat stocks on farms and in country mills and elevators as of March 1 will provide a basis for checking upon the disappearance of wheat in the United States to that date.

It may be interesting to note the position of the wheat and wheat flour mills as of December 31 or January 1. Mills reporting to the United States Department of Commerce held on December 31, 1929, 150 million bushels of wheat, as compared with 154 millions on December 31, 1928. Flour stocks were a little larger, being 4,700,000 barrels, as compared with 4,600,000 barrels.

According to reports to the Millers' National Federation, ^{a/} the mills had unfilled orders to the equivalent of about sixty 24-hour days' grind, and the wheat stocks were 10 per cent in excess of amounts needed to fill the orders on the books. A year previous the unfilled orders amounted to 63 days' run, but on December 31, 1927 amounted to only 47 days of capacity.

It may also be of interest to analyze the location of the mill stocks. Wheat in transit and bought to arrive is much smaller than a year ago, being about 10 million bushels as compared with 23 millions on December 31, 1928. The holdings in public terminal elevators amounted to only 15 million bushels compared with 28 millions. The holdings in country elevators amounted to only 11 million bushels, one million in excess of a year ago, and in private terminal elevators not attached to mills 14 millions, or 9 millions in excess of a year ago. The big increase is in mills and mill elevators attached to mills, an increase of 22 million bushels. In adding mill stocks to visible supply it should be observed that the stocks in public terminal elevators and possibly some of the wheat in private terminal elevators are already included in the visible supply. The increase in the holdings of mills and mill elevators is partially offset by the reduction in quantities in transit and bought to arrive.

In summary, it appears that the mill stocks report to the Bureau of Census, Department of Commerce, indicates that the invisible supply in commercial channels on December 31, 1929 was probably about 10 million bushels larger than on December 31, 1928. In this connection it will be of interest to note also that according to reports to the Department of Agriculture farm stocks were about 50 million bushels less and the visible supply was about 40 million bushels in excess of the previous year, making the total of accounted for stocks in the United States on December 31, 1929 about the same as a year ago.

Apparently flour sales were good in the second quarter of the season. Flour sold in the three months, October, November and December, by the mills reporting to the National Federation represented 63 per cent of the capacity of those mills, as compared with 53 per cent in the corresponding period a year ago and 55 per cent in 1927. The exports of flour in the season to date have amounted to almost 8 million barrels, the equivalent of 39 million bushels, as compared with slightly under 8 million barrels or 36 million bushels in the corresponding period a year ago.

^{a/} Report on wheat and flour stocks as of December 31, 1929, issued February 6, 1930. Mills reporting manufactured approximately 61 per cent of the total in 1928.

Wheat stocks - 11 -

<u>Period</u>	<u>Number 24-hour</u> <u>days grind for</u> <u>capacity repre-</u> <u>sented</u>	<u>Unfilled flour orders</u> <u>number 24-hour</u> <u>days</u> <u>output for capacity</u> <u>represented</u>	<u>Percent of flour</u> <u>sold to capac-</u> <u>ity for the</u> <u>period</u>
	<u>Days</u>	<u>Days</u>	<u>Per cent</u>
<u>Six months ending</u>			
December 31, 1924	41	32	
December 31, 1925	42	32	
<u>Three months ending</u>			
December 31, 1926	47	55	55.4
December 31, 1927	47		54.8
December 31, 1928	59	63	52.8
December 31, 1929	66	60	63.1

Millers' National Federation, Supplement "B" to Bulletin No. 745, February 6, 1930.

Table 7.--WHEAT, DOMESTIC: Stocks in store and afloat,
United States markets

<u>Week ended</u>	<u>Stocks</u>	
	<u>1928</u>	<u>1929</u>
	<u>Million bushels</u>	<u>Million bushels</u>
Oct 5	123	199
12	128	201
19	134	201
26	138	203
Nov 2	139	202
9	140	200
16	138	198
23	139	193
30	140	190
Dec 7	140	189
14	141	188
21	142	188
28	144	185
Jan 4	142	182
11	139	179
18	135	175
25	133	a/ 171
Feb 1	130	168
8	127	164
15	126	164

Compiled from commercial grain stocks in store in principal United States markets, as reported to the market news service of the Bureau of Agricultural Economics. a/ Preliminary.

Table 18.--UNITED STATES: Exports of wheat, wheat flour and
wheat including flour by weeks 1929 and 1930

<u>Week ended</u>	<u>Wheat</u>		<u>Wheat including flour</u>	
	<u>1929</u>	<u>1930</u>	<u>1929</u>	<u>1930</u>
	<u>1,000 bushels</u>	<u>1,000 bushels</u>	<u>1,000 bushels</u>	<u>1,000 bushels</u>
Jan 5	976	1,996	1,878	2,635
12	420	1,382	1,553	2,656
19	506	1,578	1,535	2,513
26	260	1,001	1,021	1,786
Feb 2	975	1,593	1,783	2,970
9	896	2,380	2,024	2,775
Total	4,033	9,930	9,794	15,335

Weekly report of the Department of Commerce

Table 9. - WHEAT, INCLUDING FLOUR: Exports from the United States by countries, July-December, 1928 and 1929

Country to which exported	Wheat incl. flour :		Wheat		Wheat flour	
	July-December :		December		December	
	1928	1929	1928	1929	1928	1929
	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	barrels	barrels
United Kingdom	12,312	19,836	712	1,682	80	125
Irish Free State	2,308	2,217	0	105	5	14
Netherlands	7,352	5,533	101	392	79	69
Italy	4,771	505	335	114	3	3
Greece	2,943	5,625	837	558	2	1
Belgium	2,148	4,497	405	168	2	1
Germany	1,935	4,470	104	594	21	39
France	1,746	1,347	244	48 a/	a/	
Denmark	1,206	1,529	0	0	24	33
Gibraltar	1,156	1	0	0 e/		0
Finland	1,109	854	0	0	23	11
Norway	555	896	0	6	8	19
Sweden	337	440	0	24	6	12
Malta, Gozo and Cyprus	101	288	0	0	4	1
Other Europe	3,022	543	409	348	4	5
Total Europe	43,003	48,586	3,147	4,033	261	333
Canada	30,426	12,417	2,168	811	6	7
Panama	3,635	2,961	886 a/		8	13
Cuba	2,609	2,907	3	4	95	101
Mexico	1,284	1,704	164	409	10	11
Haiti, Republic of	1,234	551	0	0	35	20
Brazil	1,906	1,671	0	0	58	53
Peru	962	210	142	0	6	5
Colombia	604	506	35	51	5	8
Japan	2,444	3,949	645	1,827 a/		6
China	2,251	1,817	133	0	70	37
Hongkong	2,164	2,010	0	3	78	111
Kwantung	746	2,941	0	0	54	161
Philippine Islands	1,810	1,744	0	0	59	59
Other countries	6,457	6,219	318	11	194	198
Total exports	101,535	92,195	7,641	7,149	939	1,123
Total imports	11,009	4,273	1,087	1,145 a/	a/	
Total reexports	20	48	5	6 a/		0
Net exports	90,546	87,970	6,559	6,010	939	1,123

Compiled from official records of the Bureau of Foreign and Domestic Commerce.
a/ Less than 500.

The Orient

Agricultural Commissioner Nyhus reports that the spread between the price of American flour and Shanghai flour has narrowed sufficiently to make it possible that future price developments may encourage the purchasing of American flour in the next few months.

Only one-third of the flour mills in Shanghai are in operation and supplies for these are limited to one or two months. Flour prices at local markets have strengthened due to an improvement in the situation at Tientsin and low silver exchange rates. An advance in the price of wheat bran bought chiefly by Japan is strengthening the prices of domestic wheat at Shanghai.

At the beginning of the season the Tientsin market was overstocked with flour. Now the excess of stocks has about disappeared on account of smaller arrivals and withdrawals for consumption. American Consul Streoper reports that further decline in arrivals and further withdrawals from warehouse caused the local flour market to assume a more healthy tone. In December stocks on hand had declined to about a normal basis. The decline in the silver exchange rate was reported to be another strengthening factor in the immediate situation. The reduction in the exchange rate raised the replacement costs in terms of Chinese currency and thus increased the nominal value of the stocks in hand so that they could be sold at higher prices relative to what had been paid for them.

It is of interest to note that 65 per cent of the flour stocks on hand in Tientsin at the beginning of January was Canadian flour, 20 per cent of Chinese origin and 15 per cent from the United States and Japan. However, no Canadian or Japanese flour arrived in Tientsin during December when small amounts were imported from the United States and Shanghai. Arrivals of wheat from the interior also contributed in a small amount to the local flour supply.

Consul Sturgeon at Tokyo cables that the prospects for Japan importing from the United States continue fairly good but that at present there is a seasonal lack of domestic demand and a poor export demand for Japanese flour. Mill stocks of flour on February 1 were above normal and prices were about 2 per cent lower than at the beginning of January. Japanese imports from July 1 to December 31 were about a million bushels less than in the same period in 1928, but imports from the United States were 1,632,000 bushels larger than a year ago. Imports during December were 1,302,000 bushels from the United States, 308,000 from Canada, and 59,000 from Australia. New Australian wheat was being offered cheaper than United States wheat, but to satisfy market requirements mills have to mix some American old winter wheat with other wheats and this tends to maintain a demand for American wheat.

Table 10.--WHEAT, INCLUDING FLOUR: Net imports into principal European importing countries

Country	Preliminary		Net imports	
	1928-29	estimates	July 1 to	1928-29
	1929-30	1929-30	July 1 to	1929-30
	Million bushels	Million bushels		Million bushels
United Kingdom.....	204	195 - 210	Dec 31	100
Italy.....	90	55 - 60	" "	42
Germany.....	68	75 - 80	" "	38
France.....	51	20 - 30	Nov 30	20
Belgium.....	41	42 - 45	" "	18
Netherlands.....	29	33 - 35	Dec 31	15
Czechoslovakia.....	17	15 - 16	Nov 30	9
Greece.....	22	20 - 25	" "	7
Irish Free State....	18	18 - 19	" 30	7
Austria.....	15	14 - 17	Oct 31	4
Switzerland.....	15	16 - 18	Dec 31	8
Sweden.....	8	7 - 9	" "	4
Norway.....	9	7 - 9	" "	5
Denmark.....	17	10 - 12	Nov 30	6
Finland.....	6	6 - 7	" "	3
Poland.....	4	2 - 6	" "	2
Estonia.....	1	1 - 2	" "	1
Latvia.....	3	2 - 3	Oct 31	1
Spain.....	b/(15)	0 - 1		
Portugal.....	b/(8)	5 - 6		
Total.....	641	538 - 610		290

a/ Less than 500,000 bushels.

b/ Unofficial.

The Continental European wheat market situation during January 1930 a/

January revealed increasing European interest and dependence on overseas wheat, but failed to bring the marked increase in purchases that the Continent, sooner or later, is expected to be forced to make. Buying activity in the big importing markets was fair in volume but generally quiet in character.

Continued weakness in overseas prices has been probably the chief, immediate cause of the lack of demand. Domestic wheat supplies, however, are still important, and, with the numerous compulsory milling regulations, increased tariffs, and other measures to aid European farmers, have helped to postpone larger trade buying from abroad.

a/ By Agricultural Commissioner Loyd V. Steere, Berlin, Germany, January 31, 1930. Supplemented by cable February 13.

The movement of Continental wheat prices during January was generally downward in the large import markets, but to a less extent than overseas so that the spread has become more favorable for import purchases. In the Danube Basin, prices have been fully maintained and even strengthened as a result of increased buying activity by Czechoslovakia, Austria and Italy. These indications tend to confirm reports that the Danubian surplus has been heavily reduced, in fact, Hungary appears to be the only country likely to figure as an exporter from now on.

With the exception of France, there is no important importing country whose stocks of domestic wheat have not been reduced to the level of a year ago at this time or below that level. German stocks are considerably smaller than a year ago, Italy's increased crop has now been fully offset by reduced importation, and the same situation is evident in other lands. The Danube Basin now has much less wheat left for export than last year, possibly not over 4,000,000 bushels, and that largely in Hungary. France, however, has large stocks of domestic wheat still left, practically enough for her own requirements for the balance of the season.

Stocks of foreign wheats at the ports are now much reduced as compared with two months ago, and appear generally light to moderate. The decline at Antwerp has been particularly marked. Supplies in other trade hands and in consumptive channels are also reported to be modest, as hand to mouth buying has been the rule in the Continental grain trade for months past.

Table 11.--Wheat stocks at certain Continental points

Date.	Antwerp	Rotterdam	Hamburg	Berlin	Hungarian warehouses
	1,000	1,000	1,000	1,000	1,000
	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
1929-30					
Oct 31.....	3,800	2,800	---	700	4,800
Jan 15.....	1,500	1,300	900	700	4,200
Jan 31.....	880	1,200	900		
Feb 8.....		900			3,900

in view of the continued small import movement of grain, it now appears that the Continental wheat deficit will be even smaller than previously estimated, in fact, about 12,500,000 bushels less. Crop or market developments this spring may result in larger purchases and imports than now anticipated, but the actual import requirements do not now seem to exceed 308,000,000 bushels as compared with 376,950,000 bushels in the season 1928-29. This means a deficit 18 per cent below last year's as compared with 15 per cent estimated a month ago. The reduction in the deficit estimate includes 7,000,000 bushels for Germany, 4,000,000 for Italy and 2,000,000 for Czechoslovakia.

There is as yet no reason to revise estimates of the Danubian surplus, although exports to date have been unusually high, since reports indicate approaching exhaustion of exportable grain. Hungary appears to be the only country with any real surplus left. Bulgaria is reported to be importing from Yugoslavia this year, and recently Yugoslavia is said to have been buying from Hungary, with indications that imports from now on may exceed her exports. Rumania is said to have little if any wheat left for export.

The continued low rate of wheat importation into Europe - imports from July 1 to December 15, 1929 have averaged 4,887,000 bushels weekly as compared with 7,496,000 bushels in the same period last year - means that a large increase in the rate of importation must take place during the remainder of the season, if the estimated deficit for 1929-30 is to be covered. In terms of imports the above deficit indicates takings of 6,834,000 bushels weekly from December 15 to the end of June 1930 as compared with 7,055,000 bushels in the same period last year. In other words, weekly imports from December 15 to the end of this season should average only 220,000 bushels below last year's, while from the first of the season to December 15 they averaged 2,609,000 bushels below the figures of the past season.

	1928-29 1,000 bushels	1929-30 1,000 bushels
Continental deficit	376,950	308,277
Net imports of deficit countries 5½ months	a/ 199,700	a/ 153,624
Estimated share of Danube	20,209	36,743
Net imports minus share of Danube	b/ 179,491	b/ 116,881
Estimated net imports of deficit countries, 6½ months, ending June 30	c/ 213,589	c/ 195,070
Estimated share of Danube	16,130	3,674
Net imports minus share of Danube	197,459	191,396

a/ Actual data, with estimates for Spain and Portugal included; these estimates assume, for 1928-29, the same percentage distribution of net imports over the year as in the case of the other 16 continental countries, for 1929-30, 50,000 tons for Portugal.

b/ World shipments for these 5½ months, with a lag of one month behind imports, were 174,163,000 bushels in 1928-29 and 113,537,000 bushels in 1929-30, thus approximating very closely the above figures; movements into and out of free port stocks account for most of the difference.

c/ With rough estimates for Spain and Portugal included.

Non-European shipments of wheat to the Continent up to the middle of January, however, indicate that the imports will continue at a much slower rate than last year at least to the middle of February, in fact, imports promise to average only around 3,564,000 bushels weekly between December 15 and February 15. This means that after February 15 imports must average around 8,451,000 bushels weekly up to June 30 as compared with about 6,614,000 bushels in the same period last season if the deficit estimated above for the Continent is to be covered.

This points to a sharp and heavy increase of European imports during the last four months of the season. The figures on world shipments up to the latest date, however, are by no means sufficient to enable imports of this size, and suggest that there will be a much heavier concentration of shipments and imports in the last few months of the season or that estimates of European requirements will have to be further reduced. Careful analysis of the wheat requirements of individual European countries gives no reason for lowering import requirements at the present time unless crops have been under estimated or consumption of wheat has been unduly influenced by such factors as the large corn crop in Southern Europe and the large rye crop in Northern Europe.

The following is a tabulation of the price spread between Chicago and certain European markets:

Table 12. - PRICE PER BUSHEL - SPREAD CHICAGO - EUROPE a/

Date	: <u>BERLIN</u> :		: <u>PARIS</u> :		: <u>GENOA</u> :		: <u>VIENNA</u> :		: <u>HUNGARY</u> :	
	: "Markischer": Domestic		: Domestic		: Domestic		: Vienna "Boden"		: "Tisza" wheat	
	: wheat		: wheat nearest		: wheat nearest		: wheat		: 79/80 kg	
	: spot		: month		: month		: spot		: spot	
	: 1928	: 1929	: 1928	: 1929	: 1928	: 1929	: 1929	: 1929		
	: Cents:		: Cents:		: Cents:		: Cents:		: Cents:	
Sept 6	: +29.75:		: +17.69:		: +53.96:		: +21.89:		: +23.41:	
Nov 8	: +20.43:		: +23.65:		: +50.89:		: +31.84:		: + 9.98:	
Jan 10	: +17.64:		: +31.14:		: +48.04:		: +21.15:		: +13.54:	
Jan 17	: +17.50:		: +35.94:		: +44.66:		: +23.87:		: + 9.95:	
Jan 24	: +17.50:		: +35.98:		: +40.86:		: +18.89:		: + 8.97:	
Jan 31	: +15.84:		: +39.70:		: +44.00:		: +26.15:		: :	
Feb 11	: +16.50:		: +37.00:		: +45.00:		: +19.50:		: + 7.00:	
									: + 4.00	
									b/ +10.00	
									b/ +18.00	

a/ Above (+) or below (-) Chicago.

b/ February 7.

Germany

The German wheat and flour market was generally reluctant throughout the latter part of December and in January, although buying was active on some days. There was an increasing interest in foreign wheat partially on account of the increase in the wheat tariff which is to become effective in the near future, but considering the size of the tariff increase, the increase in buying activity has been relatively small.

German wheat prices weakened in sympathy with world market developments during January, but have shown considerably more resistance than prices in overseas markets, with the result that margins are more favorable for import business. The comparative strength of the domestic market has been due to the increase in grain duties and to the compulsory 50 per cent domestic wheat milling regulation which has recently been extended to the end of February. Marketing from the farms has slowed, however, and this is doubtless also an important factor in the market.

The relative strength of the wheat market has contrasted sharply with the extreme depression in rye, prices for which have fallen considerably since the middle of December, and in the latter part of January reached a point of about 66 cents per bushel below wheat prices in Berlin. A year ago wheat was only 25 cents per bushel above rye. The extreme weakness in rye has continued in spite of higher tariffs and efforts by the Getreide-Handelsgesellschaft to regulate the market by open market purchases. The new tariff rates have proved to be unfavorable for rye because the rate has been above the value of the import certificate. Germany's efforts to export her surplus of rye have been seriously hampered by competition from Poland and Russia.

The following table shows the development of domestic wheat and rye spot prices:

Table 13 - GERMANY: Price per bushel of domestic wheat and rye,
November 6, 1929-February 12, 1930

Date	Wheat			Rye	
	Hamburg a/	Breslau b/	Berlin c/	Berlin d/	
	Cents	Cents	Cents	Cents	
1929-30					
Nov 6	159	143	144	97	
13	154	144	144	96	
19	160	146	149	100	
27	167	154	157	108	
Dec 4	166	154	158	106	
11	163	152	153	100	
18	163	152	157	105	
24	165	---	156	103	
31	167	---	---	103	
Jan 8	167	154	159	98	
15	169	157	160	96	
22	166	156	161	95	
29	168	159	159	98	
Feb 5	165	---	---	97	
12	165	149	155	97	

See notes on following page.

- a/ Wheat of any German district of at least 58.7 pounds per Winchester bushel.
- b/ Wheat of any German district in carloads of 370 bushels of at least 58.7 pounds per Winchester bushel.
- c/ "Markischer" wheat of 58-59 pounds per Winchester bushel.
- d/ "Markischer" rye of at least 56 pounds per Winchester bushel.

German imports of wheat showed a good increase in December, and in January rose to 10,656,000 bushels. This improvement is due to some extent to the fact that duties are to be increased, but also seems to be the beginning of greater dependence on foreign grain.

Stocks of wheat in the hands of the trade and flour mills in Germany seem to be very moderate as a result of the continued hand-to-mouth buying. The same is also true for port stocks. Supplies of rye in the hands of the trade, however, are reported to be much larger than last year.

Stocks of wheat on farms in Germany on December 15 were about 18,000,000 bushels smaller than a year previous or almost exactly the amount that this year's crop was below last year's. The disappearance of domestic wheat during the first half of the season, therefore, appears to have been practically identical with that of the previous season, with the difference, however, that disappearance this year is thought to have been almost entirely for human consumption whereas last year there was considerable feeding of wheat, probably from 4,000,000 to 5,500,000 bushels in the first half of the season. This calculation checks quite closely with the import figures for the period, as imports to the end of December have been smaller than those of last year by roughly 4,000,000 bushels. The actual consumption of domestic wheat in Germany up to December 15, therefore, does not appear to have been much more rapid than in the previous season. The increased demand for domestic grain which has been reported as resulting from the milling regulations appears to be chiefly of a psychological character and has probably affected only a certain percentage of the mills, as Germany on the average mills a proportion of 60-65 per cent domestic to 35-40 per cent of foreign grain. The influence of this milling regulation would seem likely to increase as domestic supplies decline.

Stocks of grain on German farms on December 15 were estimated by the German Agricultural Council to be as follows:

Table 14 - Grain stocks on German farms

Grain	Farm stocks		Available for sale		To be kept	
	Jan 15, 1929	Jan 15, 1930	Jan 15, 1929	Jan 15, 1930	Jan 15, 1929	Jan 15, 1930
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Winter wheat	57.2	43.9	44.6	36.1	12.6	7.8
Winter rye	152.8	152.2	83.3	85.6	69.5	66.6
Spring barley	55.0	63.0	31.8	38.6	23.2	24.4
Oats	303.2	325.5	95.4	122.1	207.8	203.4
Potatoes	624.9	751.0	288.1	206.2	536.8	544.8

Based on the percentage estimate of the German Agricultural Council.

The German duties on wheat and rye were increased on January 20 from 42.14 and 36.30 cents per bushel, respectively, to 61.59 and 54.46 cents for non-treaty nations. The duties will be raised for most-favored nations as soon as the German-Swedish supplemental treaty is ratified by the Swedish Parliament. If the Swedish Parliament refuses the bill then the new rates can be put into force on February 15.

France

The French wheat market was firm and active in the second half of December and during the first week of January, when farm offers were comparatively small, but since January 10 the market has been weak and prices declined considerably as a result of very large offers from farmers and provincial dealers. The very large offers of farmers seem to bear out calculations that there are still considerable stocks on French farms and that the crop was actually larger than indicated by the official French estimate.

The price spread between French wheat in Paris and overseas wheat has been unfavorable for overseas grain since the end of December, and the export market for French wheat has become more active. According to newspaper reports, about 4,000,000 bushels of wheat were sold to foreign countries between the beginning of December and the middle of January and there is about an equal amount still available for export. The main export markets for French wheat are Holland, Belgium and England, but some has also gone to Germany. The export of wheat is encouraged by a Government premium, as previously reported^{a/}

Italy

The Italian wheat import market remained quiet in January but import business revived somewhat during the last few days. Wheat imports during the period July 1 - December 31, 1929, amounted to 12,566,000 bushels as compared with 41,585,000 bushels in the corresponding period of 1928-29. It seems now sure that the total import requirements of 1929-30 will remain much below 1928-29, but nevertheless large quantities will have to be imported from now on.

Italian wheat prices remained almost stable in January and are above December levels in spite of the decline of prices overseas since the end of December. Prices of overseas wheat have become much more attractive for Italian buyers during the past two months, and it seems likely that the Italian import demand will improve in the near future.

Netherlands and Belgium

The import markets for wheat in Holland and Belgium were active and firm in the second half of December, with a good demand prevailing, especially from German flour mills. Since the beginning of January, however, the market has again become quiet and weak as a consequence of overseas developments, though on a few days the volume of business was fairly large. At the close of the month a slight improvement has been evident. The demand for spot wheat and near positions during the past two months has been generally better than in the future market.

^{a/} The exports officially reported to date have been unimportant.

Port stocks at Antwerp and Rotterdam have continued to decline since December. The port stocks in both places have decreased by more than 50 per cent since September-October when stocks were very large.

Danube Basin

January was a month of fairly steady buying in the Danubian deficit countries, where business underwent a good revival and flour sales showed a general pick-up. It is to be expected that imports during January will reflect the improved business tendency, particularly in Czechoslovakia where imports to date have been very low, though December showed great improvement over previous months.

The Danubian surplus areas also reported lively home and export business, chiefly Hungary where most of the remainder of the Danubian surplus is located; Rumania and Bulgaria reported very little doing. Hungary exported fair quantities to Austria and Czechoslovakia as well as Italy. Price-spreads for Danubian wheat fluctuated somewhat, but on the whole maintained a tendency in favor of American wheat purchases.

Price-spread per bushel

Hungarian Tisza Wheat, 79/80 kg., spot, above (+)
or below (-) Chicago Futures, nearest month 1929-30

	<u>Cents</u>		<u>Cents</u>		<u>Cents</u>
Sept 6	- 5.86	Nov 8	+ 3.50	Dec 20	+ 9.91
Sept 20	- 6.05	Nov 22	+ 3.95	Jan 10	+ 0.09
Oct 4	-10.70	Dec 6	+ 3.38	Jan 17	+ 7.00
Oct 25	+ 6.37	Dec 13	+ 7.50	Jan 24	+ 9.13
				Feb 7	+18.00

Wheat supplies in the Danube surplus regions are small. Trade reports generally indicate unusually low stocks for this time of the year. Hungarian wheat stocks public and cooperative warehouses showed a declining tendency since early November. There were available:

	<u>1,000 bushels</u>
on Sept 1, 1929	2,400
Oct 7, 1929	4,500
Nov 4, 1929	4,800
Dec 2, 1929	4,700
Jan 13, 1930	4,200
Jan 20, 1930	4,150
Feb 8, 1930	3,900

Rumania recently revised her estimates of the 1929 crop downward considerably. The wheat crop is now estimated at only 84,510,000 bushels compared with the earlier estimate of 99,752,000. The corn crop is reported to amount to only 186,997,000 bushels compared with an earlier estimate of more than 240,000,000 bushels. These downward revisions are so large as to justify some doubt as to what the actual crop results are: we rather believe that they are higher than now indicated, at least for barley and corn.

Table 15. - Danube shipments to Europe a/

Four week period b/	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30
	<u>1,000 bu</u>	<u>1,000 bu</u>	<u>1,000 bu</u>	<u>1,000 bu</u>	<u>1,000 bu</u>	<u>1,000 bu</u>
Aug 1 - 29	1,029:	367 :	808:	294:	73:	698 :
Aug 30 - Sept 26	294:	845 :	845:	1,323:	257:	3,013 :
Sept 26 - Oct 24	294:	772 :	1,580:	808:	588:	3,821 :
Oct 25 - Nov 21	110:	220 :	1,800:	331:	625:	3,160 :
Nov 22 - Dec 19	73:	441 :	478:	404:	184:	3,160 :
Dec 20 - Jan 16	37:	919 :	551:	147:	184:	808 :
Since Aug. 1	1,837:	3,564 :	66,082:	3,307:	1,911:	14,660 :

a/ i.e. shipments down the Danube.

b/ For 1929-30, other years nearest comparable period.

Poland

Wheat and rye prices in Poland were slightly firmer around the New Year, but prices weakened thereafter. Farmers are very much disappointed with the export policy of the export syndicate established in November 1929. The provisional agreement between the Polish export syndicate and the main German rye exporters (Getreidenauers-Gesellschaft and the so-called Scheuer-Konzern), which was reported last month, has not yet led to satisfactory cooperation. Negotiations are continuing between the two parties. Recent newspaper reports indicate that a new agreement has been reached on an export policy, but it remains doubtful whether much success can be attained during this campaign.

Soviet Russia

Scattered lots of Russian grain, mostly barley, oats, corn and rye, and to a lesser extent wheat, appeared on the European grain market during January. Larger quantities of Russian wheat have arrived during February. Foreign trade estimates of possible Russian exports of wheat vary greatly (4,800,000 to 16,000,000 bushels), but it seems likely that the net exports from Russia this year a/ will not be significant even though more or a/ viz. during the current agricultural year (to June 30, 1930), later developments depending greatly upon the 1930 crop outlook.

less important lots may at times appear on the international wheat market because of foreign exchange considerations. It is not at all improbable that such exports of wheat a/ might be followed later on by imports into the Soviet Union herself as no quantity of wheat actually exported is justified by the crop outturn or conditions on the domestic grain market. In this connection, the seeming success of the grain procuring campaign is rather misleading. Even though total procurings were greatly above those of the previous year, it should not be forgotten that the 1928-29 campaign was a failure and that both this fact and the yearly increasing population call for an increase of procurings.

In view of the great importance of the coming Spring sowing campaign, both because of the large scope of collectivization and also because of the non-execution of the Autumn sowing plan preparations have begun earlier than usually. The press, however, is sounding alarm at the slow pace with which certain phases of the preparation are being carried on and it has even been hinted at that the success of the campaign is at stake. Points of particular weakness seem to be: the production and distribution of tractor parts, draft power in general, and the problem of seeding material. These latter two seem to be particularly acute, as propaganda of the better-to-do peasants, the acknowledged enemies of the Government and its collectivization scheme, calls for utilization of seeds and livestock belonging to peasants about to enter the collective farms. The argument brought forward is that the Government will have to see to equipping the collective farms with necessary tools of production. The Government evidently expects increased opposition of the better-to-do circles of the peasantry because stipulations have been made providing serious penalty to those opposing Government measures and plans. Thus, for example, land as well as all equipment belonging to peasants who reduce their acreage in the Spring will be confiscated and utilized collectively. It remains to be seen to what extent the Government will be able to cope with difficulties arising from the rapid rate of collectivization. However, there is no doubt that it will exert all its energy, influence and power in order to bring about the largest possible execution of its plans.

a/ The situation being somewhat different in the case of the other crops, particularly barley.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
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FOREIGN NEWS ON WHEAT

WORLD WHEAT CROP AND MARKET PROSPECTS

The world's supply of wheat as of March 1 was probably about 200 million bushels less than the supply available a year ago but a reduction in demand and a world-wide decline in the general price level have depressed prices below the level of a year ago when the supply was unusually large. The supplies remaining in the United States are a little larger, but Canadian supplies are smaller, and the supplies in the Southern Hemisphere countries much smaller than a year ago. The available supply of wheat in Europe is probably less than a year ago. France probably has a larger supply than a year ago, but Germany and the Balkan countries have smaller supplies. Stocks at Liverpool are rather large but at most of the continental European ports the wheat stocks are only moderate. The wheat and flour stocks in the Orient are low.

Wheat has been disappearing from the terminal markets of the United States at a fairly rapid rate since the last week of October. By March 15 the visible supply had been reduced from about 203 million bushels to 157 millions, a reduction of 46 million bushels, but this visible supply is still 30 million bushels larger than a year ago. Farm stocks March 1, were estimated to be about 129 million bushels, or 22 millions less than a year ago, which partly offsets the larger visible supply. Stocks in mills and elevators may also be somewhat larger, so that the total supply within the United States is probably a little larger than a year ago.

The location of stocks of wheat in the United States indicates that the supplies of winter wheat are probably larger but the stocks of spring wheat may be smaller than a year ago. A larger crop of soft red winter wheat has naturally resulted in the supplies of that class of wheat remaining on farms being a little larger than a year ago. But there is no evidence of a surplus over usual domestic requirements of this class of wheat. The supplies of durum and hard red winter are of course more than sufficient to meet domestic requirements. The supply of hard red spring is probably sufficient to meet domestic requirements and provide a moderate carryover into the next season.

The weekly exports since the first of January have averaged a little larger than last year. Should exports continue on about the same level for the remainder of the season, the carryover in the United States would be reduced by a small amount. Since the supplies in Argentina are much less than a year ago, it appears probably that foreign countries will take somewhat more wheat from the United States than they took in the corresponding period a year ago.

The foreign demand for our wheat continues disappointingly weak. Apparently many of the deficit countries are continuing to buy on a "hand to mouth" basis. Stocks at foreign ports except British ports are only moderate. The United Kingdom had accumulated relatively large supplies at ports, but they are now being reduced.

Crop reports are now becoming an important factor in the wheat market situation. It is too early to make very definite estimates of probable production in the coming season. Areas seeded in countries reported to date are slightly less than in the same countries a year ago. Several of the European countries have reduced their wheat areas but the total reduction in Europe is not likely to be large. The conditions of the growing crops are generally reported to be fair to good but it hardly seems likely that European crops outside of Russia will be as large as in the past season. The same may be said of the crops of North Africa. India is beginning to harvest a new crop. Reports to date indicate that the area may be slightly smaller but yields may be slightly better than a year ago. It is not likely, however, that the crop will be large enough to provide a significant exportable surplus. At the most, it will take India out of the market for wheat from other countries and small amounts may be shipped early in the season.

Winter wheat: Acreage, average 1909-1913, annual 1927-1930

Country	Average 1909- 1913	1927	1928	1929	1930	Percentage 1930 is of 1929
	1,000 <u>acres</u>	1,000 <u>acres</u>	1,000 <u>acres</u>	1,000 <u>acres</u>	1,000 <u>acres</u>	<u>Per cent</u>
United States.....	a/32,702	43,373	47,317	42,820	43,690	102.0
Canada.....	a/ 1,019	979	1,033	885	809	91.4
Europe (7).....	43,786	37,720	38,689	38,270	37,953	99.2
North Africa (3)....	6,531	7,017	7,987	7,857	7,971	101.5
India b/.....	29,224	31,184	31,332	31,159	29,871	95.9
Total, 13 countries	113,262	120,273	126,358	120,991	120,294	99.4

a/ Four-year average.

b/ Second estimate.

Table 1.--WHEAT INCLUDING FLOUR: Net exports from principal exporting countries, 1928-29 and 1929-30

Country	Preliminary:		Net exports	
	: 1928-29	: estimates : July 1	: 1928-29	: 1929-30
	: 1929-30	: to		
	: Million	: Million	: Million	: Million
	: bushels	: bushels	: bushels	: bushels
United States.....	142	165 - 175	Mar 8	108
Canada.....	421	200 - 220	Jan 31	304
Hungary.....	24	20 - 24	Oct 31	7
Yugoslavia.....	8	20 - 25	Dec 31	6
Argentina.....	217	180 - 195	Mar 8	126
Australia.....	108	65 - 75	Mar 8	70
Total.....	920	650 - 714		621

Wheat prices

Wheat prices have turned upward after reaching a low level, in some markets lower than the lowest point reached in the previous season. The average price of all classes and grades at six markets in the United States fell to 102 cents per bushel. The price of No. 2 hard red winter in Kansas City averaged one dollar per bushel and No. 2 amber durum at Minneapolis fell to an average of 94 cents in the week ended March 14. The average prices of hard red spring wheat at Minneapolis and soft red winter wheat at St. Louis held a good margin above the prices of other classes of wheat, but they also fell to a low level. Prices in Buenos Aires and Liverpool fell to a low level. Both Liverpool and Buenos Aires futures were below Chicago. The Liverpool futures were in line with Buenos Aires prices or the value of Argentine wheat in Liverpool. It is also of interest to note that the May future in Winnipeg, which calls for delivery of No. 1 Manitoba, fell below the May future in Minneapolis, which calls for the delivery of No. 1 northern. Since No. 1 dark northern spring remained considerably above the Minneapolis future, and the Minneapolis future was above the price of the May future in Winnipeg, it is evident that the tariff became effective in maintaining hard spring wheat prices in the United States.

For some time the prices of domestic wheat in European markets have been rising relative to the prices in the markets of the United States. It is of particular interest to note the relative improvement in prices in Austria and Hungary. This seems to indicate that little competition from the Danube countries is to be expected in the remainder of the season. Germany has again raised duties upon wheat and flour to protect her domestic wheat and rye markets. This is likely to increase prices in Germany without increasing the demand for wheat from foreign countries. A marked rise in world wheat prices, however, probably would result in Germany lowering her duties.

The recent drop in wheat prices has been due in large part to a general decline in commodity prices. Under such conditions there is a tendency for prices to fall because they are falling. Nobody wants to stock up until the price decline has run its course. Everybody waits for the turn. As soon as it becomes evident that the price decline has run its course, the market strengthens.

Table 2.--WHEAT PRICES

Closing prices per bushel of May futures

Week ended	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires <u>a/</u>						
	1929 : 1930	1929 : 1930	1929 : 1930	1929 : 1930	1929 : 1930	1929 : 1930						
	Cents	Cents	Cents	Cents	Cents	Cents						
Jan 2:	119	135	111	127	112	134	121	146	132	148	b/110	b/127
9:	121	132	114	125	115	132	124	141	134	142	b/109	b/120
16:	123	127	116	120	118	127	126	132	135	138	b/110	b/117
23:	128	128	121	121	122	128	129	135	136	137	b/112	b/117
30:	127	120	120	114	121	120	129	126	135	132	115	118
Feb 6:	127	121	119	113	121	120	129	126	136	126	115	114
13:	133	123	124	116	126	123	134	128	136	129	117	113
20:	133	113	125	106	127	114	135	114	136	117	116	104
27:	129	113	121	105	123	114	131	117	134	119	115	104
Mar 6:	127	112	119	103	122	110	130	112	133	115	114	106
13:	130	108	122	98	124	106	131	104	134	107	114	97
20:	127	110	119	101	122	108	129	110	131	110	111	c/ 97

^{a/} Prices are of day previous to other prices. ^{b/} February futures.^{c/} Tuesday's price.Weighted average cash prices per bushel
at stated markets, United States

	All classes	No. 2	No. 1	No. 2	No. 2	Western
Week	and grades	Hard winter	Dk.n.spring	Amber durum	Red winter	white
ended	six markets	Kansas City	Minneapolis	Minneapolis	St. Louis	Seattle <u>a/</u>
	1929 : 1929	1928 : 1929	1928 : 1929	1928 : 1929	1928 : 1929	1928 : 1929
	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.
Dec 6	109	130	113	125	124	138
13	107	122	111	120	121	130
20	107	120	111	118	123	128
27	106	123	110	122	120	132
	1929	1930	1929	1930	1929	1930
	:	:	:	:	:	:
Jan 3	105	126	108	125	123	136
10	108	123	108	121	125	133
17	115	121	114	118	130	131
24	118	122	119	118	132	131
31	117	118	117	114	131	127
Feb 7	117	117	117	112	134	125
14	119	119	118	113	136	126
21	120	115	120	112	139	125
28	117	114	118	112	136	125
Mar 7	115	111	117	106	132	120
14	117	102	119	100	132	113

^{a/} Weekly average of daily cash quotations basis No.1 sacked 30 days delivery.^{b/} Average for 5 days.

Table 2.--WHEAT PRICES, Cont'd

Liverpool prices per bushel

Week ended	Near futures close	No.1 N. Manitoba	No.3 N. Manitoba	No.2 hard winter shipping	Rosafe 63 $\frac{1}{2}$ lb
	Cents	Cents	Cents	Cents	Cents
1929-30					
Dec 6.....	137	162	156	143	140
13.....	133	158	152	136	136
20.....	132	156	149	135	132
27.....	134	157	151	136	135
Jan 3.....	144	162	157	146	139
10.....	139	156	a/ 153	142	137
17.....	130	152	a/ 147	137	133
24.....	132	151	145	136	131
31.....	123	146	140	132	132
Feb 7.....	123	144	137	128	127
14.....	122	143	135	127	123
21.....	115	136	126	126	117
28.....	113	130	125	120	116
Mar 7.....	112	126	124	120	b/ 113

a/ Afloat.

b/ 63 pounds.

The supply of wheat in the United States

The stocks of wheat in store and afloat at markets reported to the Bureau as of March 1 totaled 161 million bushels, compared with 126 millions a year ago. According to Bradstreets, the visible supply of wheat in the United States, March 1, amounted to 165 million bushels, 35 millions in excess of the visible supply on March 2, 1929. Bradstreet's are here quoted for analysis because of the fact that they are published in detail by markets. It is of interest to note where the stocks are larger than a year ago, and especially in relation to the supply of the different classes of wheat.

There are large stocks of wheat at Minneapolis and Duluth, but the stocks on March 1 were only 4 million bushels in excess of a year ago. The increase is in hard red spring wheat at Minneapolis, where this class of wheat amounted to nearly 21 million bushels on March 1 compared with 16 millions a year ago. Duluth has a little more hard red spring wheat but a little less durum than a year ago. The durum stocks at Duluth and Minneapolis totaled 12 million bushels as compared with 13 million a year ago, whereas the hard red spring totaled 33 million compared with 27 millions a year ago.

Chicago also has a large accumulation of wheat, 9 million bushels in excess of the stocks of a year ago. Data are not available to show the character of these stocks except in public elevators, which at the beginning of March held about one-half of the visible supply at Chicago. Hard red winter

wheat made up over 90 per cent of the wheat in public elevators and the stock of this class of wheat was 4 million bushels in excess of a year ago. The holdings of soft red winter were very small, but a little larger than a year ago. Stocks of spring and durum wheat were also small and smaller than a year ago.

Grouping the Southwest and Gulf Port terminal markets which have only hard winter or but very little, if any, wheat of other classes, we find the holdings about 9 million bushels over a year ago. The interior soft winter wheat markets have only slightly more wheat than a year ago. The larger stocks at Buffalo and Atlantic ports probably include some spring and durum with winter wheats.

While it is impossible to determine accurately the changes in the stocks of the different classes of wheat, from the above analysis it seems that most of the increase in stocks over those of a year ago is in hard winter wheat. Possibly the spring wheat holdings at terminal markets have been increased by about 8 or 10 million bushels. The increase at Buffalo is probably largely spring wheat and increases at some other points which can not be definitely classified may include some spring wheat.

Table 3.--WHEAT, DOMESTIC: Stocks in store and afloat,
United States markets

Week ended	1928-29	1929-30
	<u>Million bushels</u>	<u>Million bushels</u>
Oct 26.....	138	203
Nov 30.....	140	190
Dec 28.....	144	185
Jan 4.....	142	182
11.....	139	179
18.....	135	175
25.....	133	171
Feb 1.....	130	168
8.....	127	164
15.....	126	164
22.....	126	161
Mar 1.....	126	161
8.....	127	<u>a/</u> 159
15.....	126	157

Compiled from commercial grain stocks in store in principal United States markets, as reported to the market news service of the Bureau of Agricultural Economics.

a/ Preliminary.

Farm stocks

Farmers' reports to the Department of Agriculture indicate that farm stocks of wheat on March 1 amounted to about 129 million bushels, as compared with 151 million a year ago, and a five-year average of 122 million bushels. The farm stocks amounted to only 16 per cent of the crop, as compared with 16 $\frac{1}{2}$ per cent a year ago and a five-year average of 15.1 per cent.

The farm stocks are larger than a year ago in the soft red winter wheat producing States and smaller in all the other States. In the four principal hard spring and durum wheat producing States stocks were about 38 million bushels, as compared with 62 millions on March 1 last year and 54 millions two years ago. This reduction in farm stocks more than offsets the increase in terminal markets. Allowing for the possibility of some increase in the country mill and elevator stocks, it is quite possible that the supply of hard red spring and durum wheats in the United States is smaller than a year ago. The farm stocks in six principal hard red winter wheat producing States amount to about 39 million bushels, 13 millions less than a year ago. This reduction is not sufficient to offset the increase in terminal stocks, and the supply of hard red winter wheat in the United States is probably a little larger than a year ago.

The same may be said of soft red winter wheat. The 1928 crop was very short, and there was very little soft red winter wheat left over on farms at the end of the season. With a larger crop, some increase in holdings was to be expected. The increase of soft red winter wheat in terminal markets is small, but most of this class of wheat moves directly to mills without appearing in the terminal markets. Mills probably have larger stocks of this class of wheat than a year ago. There is, however, no evidence of a surplus of soft red winter wheat over the usual domestic requirements for this class of wheat.

Storage capacity

The experiences of the past season with congestions at terminal markets have stimulated our interest in grain storage facilities. No complete survey of the grain storage facilities of the country has been made. Reports made in the past few months have accounted for a considerable part of the grain storage space, and it may be of interest to summarize these reports.

The Census Bureau of the Department of Commerce has just issued a report of the capacity of elevators, mill buildings, warehouses and other facilities owned or operated by flour milling establishments on January 1, 1930. The report represents, 1,057 mills, which manufactured 93.9 per cent of the total output of wheat flour reported in the Biennial Census of Manufactures, 1927. The total capacity as reported follows:

Total capacity owned or operated by	<u>Million bush</u>
1,057 mills	229
Elevators, mill and private terminal	193
Elevators, country	30
Mill buildings, warehouses, and other facilities	16

Apparently these mills own and operate storage capacity to hold wheat sufficient for operating about 70 (24-hour) days' grinding. In the past few years merchant mills have ground on the average 557 million bushels annually. It appears, therefore, that the working capacity of the elevators owned and operated by mills is sufficient to hold about 40 per cent of a year's grindings. According to wheat stock reports to the Census Bureau as of December 31, the capacity owned and operated by mills was just a little more than half filled, the mills holding at that time about 125 million bushels of wheat in elevators, most if not all of which may have been in control of or operated by the mills.

A survey of elevator capacity at principal market centers was made in August, 1929, by the Bureau of Agricultural Economics. According to this survey the capacity of public storage at principal markets was equal to the storage owned and operated by the mills reporting to the Census, about 229 million bushels. Space classified as private but not mill storage provided in addition 128 million bushels. It is possible that a small part of this private storage was owned and operated by mills. Adding the public and private to the mill storage capacity provides a total capacity of about 550 to 580 million bushels, in principal markets and mills. During the past season the public and private terminal elevators at the several different market centers have been about filled to their working capacity for periods of some length. At the present time public storage facilities at some markets are well filled.

No comprehensive survey has been made of country storage facilities. The report on "The Disparity Between Wheat Prices in Canada and in the United States and the Grain Storage Situation", released November 22, 1929 by the Bureau of Agricultural Economics, included a statement of local storage space in the principal spring wheat States. According to that report the local elevators licensed by the Railroad and Warehouse Commissions of Minnesota, North Dakota and Montana had a total storage capacity of about 97 million bushels. Plans are now being developed by the Bureau of Agricultural Economics for a survey of local elevators in all the principal surplus wheat producing States. This survey is to be completed early in the season and will add materially to our knowledge of the grain storage capacity of the country.

Report of stocks of all grain at principal markets as of March 8, 1930

Stocks

Visible stocks of all grain in public elevators increased in Kansas City and Duluth during the week ended March 8. Decreases occurred in public elevator stocks at Minneapolis and Buffalo, while private elevator stocks at these points remained unchanged. At Chicago stocks in both public and private elevators remained unchanged. Elevator space remaining unfilled at certain markets is shown in the following table:

	Unfilled space 1,000 bushels	Percentage of total
Chicago	19,350	35.9
Kansas City <u>1/</u>	1,360	5.0
Minneapolis	14,206	19.1
Duluth <u>1/</u>	7,284	17.0
Buffalo	9,098	30.3

1/Public elevators only.

Receipts

Receipts of wheat at Duluth during the week were larger than for any week this year (1930). Receipts at Kansas City and Minneapolis for the week were about the same as for the previous week. Receipts at these two latter markets have been at a relatively high level since February 1.

Utilization of wheat in the United States during the first 8 months of the season appears to have been about in line with the average for the past few years. Estimating for February, it appears that new grindings in these 8 months probably amounted to about 385 million bushels compared with about 386 million bushels in the previous 5 years. The supply of wheat in the country was about 1,058,000,000 bushels as compared with 1,061,000,000 the previous season. Apparently the amount of winter wheat used in the fall seedings was slightly a little larger, whereas the grindings were a little less than a year ago. Since net exports have been about the same the appearance of slightly larger supplies as of March 1 indicates that the disappearance for feed and otherwise may have been slightly less than in the previous season. The wheat remaining in the country available for export and carryover as of March 1 probably amounted to about 280,000,000 as compared with 282,000,000 bushels a year ago.

Table 4.--Total wheat ground in merchant mills in the
United States, 1924-1929 a/

Year beginning July	July 1 - Feb 28								Mar 1 : June 30	July 1 June 30
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Total	Total
	Mil- lion bush	Mil- lion bush	Mil- lion bush	Mil- lion bush	Mil- lion bush	Mil- lion bush	Mil- lion bush	Mil- lion bush	Mil- lion bush	Mil- lion bush
1924	44	51	54	59	47	46	51	42	394	542
1925	45	46	51	56	47	46	45	38	376	537
1926	48	53	54	54	48	45	43	40	385	556
1927	42	48	52	54	49	46	47	45	383	583
1928	43	51	52	57	49	46	49	44	391	568
1929	46	54	51	54	47	44	b/46;c/43	43	385	

a/ Census Bureau, Department of Commerce, raised to 100 per cent based on the Biennial Censuses of 1923, 1925 and 1927.

b/ Preliminary.

c/ Estimated.

Table 5.--FLOUR: Supply and distribution in terms of wheat

Item	July 1 - Feb 28		
	1927-28	1928-29	1929-30
	Million bushels	Million bushels	Million bushels
Supply:			
Stocks, July 1 <u>a/</u>	29	29	36
Mill grindings (commercial mills) <u>b/</u>	383	391	(385)
Mill grindings (custom and small mills) <u>c/</u>	8	8	8
Total available supply.....	420	428	431
Accounted for:			
Exports.....	44	41	41
Stocks, end of period.....	33	35	<u>d/</u> 36
Total accounted for.....	77	76	77
Available for consumption.....	343	342	354

a/ Russell's Commercial News as published in Survey of Current Business.

b/ Census monthly returns raised to 100 per cent of the Biennial Censuses of 1923, 1925 and 1927.

c/ A minimum estimate of small commercial mills and custom mills.

d/ Estimated.

Inspected receipts by classes

Inspected receipts through the months reported seem to be in line with the early estimates of production by classes. See Foreign News on Wheat for January, 1930, FS/WH-45, page 13. The inspections of hard red spring and durum wheats were considerably less than a year ago, as indicated by estimates of production. Inspections of hard red winter, on the other hand, were larger, whereas the indicated production was slightly smaller than a year ago. This increase in inspections may be accounted for by the fact that the crop has been marketed rapidly. Only a small proportion of the soft red winter wheat appears at inspection points. The increase in inspections is approximately in line with the indicated increase in production. Large stocks at the beginning of the season offset in large part the reduction in production of hard red spring and durum wheats. As indicated above, it is probable that we still have a surplus of hard red winter, durum and probably white wheats, but the supply of soft red winter and hard red spring seems to be only about sufficient for ordinary domestic requirements.

Table 6 - Receipts of inspected wheat, all inspection points,
by classes, July-January, 1928 and 1929

1928							
Month	Hard red spring	Durum	Hard red winter	Soft red winter	White	Mixed	Total
	Cars	Cars	Cars	Cars	Cars	Cars	Cars
July:	4,120:	980:	91,490:	8,732:	2,158:	4,433:	111,913
Aug :	9,165:	2,531:	64,482:	9,225:	5,229:	6,324:	96,956
Sept:	27,767:	12,746:	29,808:	3,099:	4,891:	9,987:	88,298
Oct :	36,062:	12,459:	26,068:	2,516:	4,533:	8,589:	90,227
Nov :	25,349:	6,301:	17,459:	1,195:	1,669:	4,482:	56,455
Dec :	16,314:	4,170:	19,270:	1,547:	2,554:	3,463:	47,318
Jan :	8,936:	2,259:	15,732:	980:	1,972:	2,123:	32,002
Total:	127,713:	41,446:	264,309:	27,294:	23,006:	39,401:	523,169
Total:							
in :	166,026,900:	53,879,800:	343,601,700:	35,482,200:	29,907,800:	51,221,300:	680,119,700
bush:							

1929

Month	Hard red spring	Durum	Hard red winter	Soft red winter	White	Mixed	Total
	Cars	Cars	Cars	Cars	Cars	Cars	Cars
July:	9,361:	2,246:	126,937:	14,302:	3,012:	5,197:	161,055
Aug :	14,621:	3,833:	73,057:	12,482:	6,080:	7,520:	117,593
Sept:	19,260:	3,871:	26,444:	3,261:	4,725:	5,702:	63,263
Oct :	12,062:	2,817:	20,741:	1,879:	2,446:	4,305:	44,250
Nov :	8,345:	1,600:	11,676:	1,540:	1,762:	2,073:	24,996
Dec :	6,282:	1,885:	16,977:	1,750:	2,280:	2,297:	31,471
Jan :	3,889:	1,344:	12,263:	1,238:	1,661:	2,047:	22,662
Total:	71,820:	17,596:	268,095:	36,452:	22,166:	29,141:	465,290
Total:							
in :	93,366,000:	22,874,800:	374,523,500:	47,387,600:	26,841,800:	37,883,300:	604,877,000
bush:							

Exports

The net exports of wheat including flour reported from July 1 to March 15 amount to about 111 million bushels, as compared with 110 million in the corresponding period of the previous season. Exports have actually been smaller than a year ago, but imports for milling in bond to March 1 amounted to about 10 million bushels less than in the corresponding period of a year ago. This reduction in imports more than offsets the reduction in exports of domestic grain and flour.

Exports during January and February were larger than a year ago. The exports of wheat including flour in the ten weeks ended March 9 amounted to 21 million bushels compared with 17 million in the previous season. In March, however, exports have been less than in March a year ago. To equal the net exports of the past season, shipments for the remainder of the season must average about 2 million bushels per week.

Reviewing inspections for export during the first half of the season it will be observed that only small amounts of hard red spring and soft red winter have been exported. Practically all of the wheat of these classes that has been exported has been shipped from the Pacific Coast. Durum exports fell considerably below those of the previous two seasons, which was to be expected. The shipments of hard red winter, on the other hand, were a little larger than in the corresponding period of 1928. The Pacific Coast shipped large quantities of white wheat.

Table 7 - WHEAT: Exports by classes, United States,
July - December, 1927 - 1929 a/

Year	: Hard : red : spring	: Durum	: Hard : red : winter	: Soft : red : winter	: White	: Total
	: 1,000 : bushels	: 1,000 : bushels	: 1,000 : bushels	: 1,000 : bushels	: 1,000 : bushels	: 1,000 : bushels
1927	: 5,604	: 21,722	: 53,665	: 13,136	: 23,348	: 122,475
1928	: 1,248	: 29,639	: 30,530	: 1,733	: 9,416	: 72,766
1929	: 618	: 12,157	: 34,161	: 2,249	: 10,397	: 59,782

a/ Total as reported by the Department of Commerce. Distribution by classes made on basis of United States inspections for export by ports and inspections of United States wheat in the Eastern Division of Canada.

Table 8 - WHEAT: Pacific Coast inspections for export by classes,
July - January, 1928 - 1929

Year	: Hard : red : spring	: Hard : red : winter	: Soft : red : winter	: White	: Mixed	: Total
	: 1,000 : bushels	: 1,000 : bushels	: 1,000 : bushels	: 1,000 : bushels	: 1,000 : bushels	: 1,000 : bushels
1928	: 793	: 7,663	: 1,661	: 9,850	: 225	: 20,212
1929	: 651	: 2,906	: 1,756	: 12,371	: -	: 17,684

Compiled from records of the Grain Division.

Table 9.--UNITED STATES: Exports of wheat, and wheat including flour, by weeks 1929 and 1930

Week ended	Wheat		Wheat including flour	
	1929	1930	1929	1930
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
January 5 ...	976	1,996	1,878	2,635
12 ...	420	1,382	1,553	2,656
19 ...	506	1,578	1,535	2,513
26 ...	260	1,001	1,021	1,786
February 2 ...	975	1,593	1,783	2,970
9 ...	896	2,380	2,024	2,775
16 ...	212	1,422	1,895	2,136
23 ...	582	373	1,404	1,111
March 2 ...	785	734	2,444	1,848
9 ...	824	224	1,600	873
Total	6,436	12,633	17,127	21,303

Weekly report of the Department of Commerce.

The international trade in wheat

Exports of the principal exporting countries from the beginning of the season, July 1, to March 15 were about 190 million bushels less than in the corresponding period of the previous season. Shipments from Russia, the Balkan countries and the United States have been greater than, and the Argentine shipments equal to those of a year ago. Australian and Canadian shipments have been considerably smaller. Shipments from surplus producing countries in the season to date have averaged about 11 million bushels per week. In the early part of the season the Balkan countries and the Argentine furnished the bulk of the supplies. In recent weeks Canadian wheat has been shipped in fairly large volume.

The wheat available for export and carryover in the principal surplus producing countries as of March 1 probably was about 200 million bushels less than a year ago. As indicated above, the available supply in the United States is about the same. The Canadian surplus as of March 1 has been estimated at about 180 million bushels, as compared with 224 millions exported and carried over after March 1, 1929. The surplus in Argentina is probably about 75 million bushels of poor quality wheat as compared with 227 millions of good wheat available as of March 1 a year ago. Allowing for a small carryover and small shipments in the latter part of the year, Argentina could ship only about 45 million bushels in the four months, March to July, as compared with 101 millions shipped in the corresponding period of a year ago.

Apparently the surplus of the Balkan countries has been practically used up. Prices in Hungary have risen in relation to Chicago prices and the stocks in Hungarian warehouses have been reduced to a moderate level. Yugoslavia continues to ship small amounts but the remaining surplus in that country is probably very small. Russia continues to dribble out small quantities without any evidence of a real surplus.

Table 10.--WHEAT INCLUDING FLOUR: Shipments from principal exporting countries

Country	:Total shipments : : or exports :		Shipments, week ended					:Net movement from :July 1 to & inclu- :ing March 15	
	:1927-28:	:1928-29:	Mar 1	Mar 8	Mar 15	:1928-29:	:1929-30		
	:	: <u>a/</u> :	:	:	:	:	:		
	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :		
	: bushels:	: bushels :	: bushels:	: bushels:	: bushels:	: bushels:	: bushels:		
North America <u>b/</u>	:452,423:	:499,942:	:3,050:	:5,746:	:5,641:	:384,889:	:211,599		
Canada 4 markets <u>c/</u>	:333,335:	:458,649:	:581:	:1,789:	:1,218:	:370,424:	:134,968		
United States	:206,259:	:163,687:	:1,848:	:873:	:968:	:109,639:	:110,854		
Argentina	:178,135:	:216,722:	:3,028:	:2,624:	:2,258:	:131,231:	:131,142		
Australia	:72,962:	:107,937:	:2,260:	:2,304:	:1,480:	:74,584:	:43,736		
Russia	:5,408:	:8:	:0:	:136:	:0:	:8:	:2,320		
Danube & Bulgaria <u>d/</u>	:32,847:	:33,842:	:0:	:96:	:496:	:2,152:	:16,400		
British India	:15,668:	: <u>e/</u> 21,739:	:0:	:0:	:0:	:5,581:	:128		
Total <u>f/</u>	:757,443:	:836,712:	:8,338:	:10,906:	:9,875:	:598,445:	:405,325		

Compiled from official and trade sources.

a/ Preliminary.

b/ Bradstreet's, weeks ending Thursday, includes flour converted at 4.5 bushels per barrel.

c/ Fort William, Port Arthur, Vancouver and Prince Rupert.

d/ Hungary, Yugoslavia, Rumania and Bulgaria.

e/ Net imports.

f/ Total of trade figures, including North America as reported by Bradstreet's.

The Orient

No improvement has been noted in the condition of the flour milling industry in Shanghai during the past month and at the present time about 75 per cent of the total milling capacity is idle, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from Agricultural Commissioner P. O. Nyhus at Shanghai. American western white wheat, No. 2 is quoted at \$1.23 per bushel and Canadian, No. 3 at \$1.18 per bushel, c.i.f., Shanghai. These prices, however, are too high to interest millers and shipments arriving in April will be obliged to compete with the 1930 domestic wheat crop. Buying is slow and cautious on the domestic market and local importers state that practically no contracts are being made for foreign flour for either the Shanghai or Tientsin markets due to fears of an early drop in prices. Quotations on Shanghai flour on the local exchange are \$1.19 per 49-pound bag for April delivery and \$1.07 for June delivery.

The condition of the market at Tientsin is improving. Stocks have been reduced to about a normal level. February arrivals are estimated at 600,000 bags; 400,000 from Shanghai, 400,000 from the Yangtse Valley, and 100,000 from Japan, according to Consul Gauss. No flour arrived from the United States or Canada during that month. Sales were slightly better than in January but many buyers continued to hold off because of the uncertainty of exchange. The local mill production declined in February, only three mills operating and producing 260,000 bags. A further reduction in local milling is expected in March.

Prospects for imports of United States wheat by Japan continue fairly good although the export demand for Japanese flour is poor because of the fall in the value of silver and the large stocks of American and Canadian flour which have accumulated at Chinese ports, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from Consul General Garrels at Tokyo. Japanese wheat imports during January from the United States were 220,000 bushels, from Canada 662,000 bushels and from Australia 39,000 bushels. Mill stocks of flour on March 1 were above normal and the wholesale price of flour at Tokyo on that date was \$1.75 per 49-pound bag as against \$1.79 on February 1. Wheat prices at Tokyo on March 1, duty and landing charges included, were as follows \$1.61 per bushel for United States western white No. 2, \$1.50 per bushel for Canadian No. 5, \$1.64 for Australian and \$1.62 for standard grade domestic No. 3. The corresponding prices on February 1 were United States \$1.66, Canadian \$1.68, Australian \$1.64 and native wheat \$1.61 per bushel. Western white, No. 2 was quoted on March 1 for April delivery at \$1.13 per bushel, f.o.b. Portland.

Europe

The European demand for wheat continues weak - the United Kingdom imported July 1 to March 1 about 10 million bushels more than in the corresponding period of a year ago, most of this increase in imports is now in the port stocks which on March 1 amounted to about 13,600,000 bushels as compared with 5,840,000 a year ago. These stocks are larger in relation to facilities but not in relation to the needs of the country. If the overseas flow to the United Kingdom were checked the surplus of stocks would soon disappear. In fact they have been declining in the past few weeks,

The Continental European importing countries have fallen far behind in their imports. France with a larger crop has imported more than she was expected to take but Germany and Italy are far behind expectations. Large supplies and low prices of other crops have reduced the demand for wheat in Italy and Germany. In Italy large crops of wheat and corn have reduced the demand for foreign wheat. In Germany large supplies of rye and cheap feed-stuffs together with the special efforts of the government to protect the domestic market have reduced imports. It is evident that the Continental countries are not stocked up with wheat. If they continue to buy only to satisfy immediate needs the stocks in the importing countries on July 1 will be low - a crop scare, delayed harvest or the prospect of a short crop probably would stimulate buying and greatly increase the European demand for our wheat.

Table 11.--World quantity of wheat and flour on passage and United Kingdom port stocks, by weeks, 1928-1930

Week	1928		1929		1930	
	On	U. K.	On	U. K.	On	U. K.
	passage	stocks	passage	stocks	passage	stocks
	1,000	1,000	1,000	1,000	1,000	1,000
	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
Jan 7	46,080	7,680	53,160	5,920	28,308	15,200
14	45,096	6,960	57,560	6,640	32,672	14,680
21	48,712	6,400	60,416	6,240	33,272	13,760
28	55,324	6,080	63,024	5,840	35,800	13,200
Feb 4	59,264	6,400	64,768	5,200	37,632	15,120
11	65,520	6,400	71,424	5,600	39,464	14,000
18	72,256	5,600	70,080	6,400	40,720	14,000
25	77,328	5,920	69,944	5,760	39,200	13,016
Mar 4	74,840		70,032		36,672	
11	70,672		73,576		36,984	
			71,296		38,496	

Compiled from trade sources.

Table 12.-- WHEAT, INCLUDING FLOUR: Net imports into principal European importing countries

Country	1928-29	Preliminary estimates 1929-30
	<u>Million bushels</u>	<u>Million bushels</u>
United Kingdom	204	200 - 210
Italy	90	40 - 50
Germany	68	75 - 80
France	51	27 - 30
Belgium	41	42 - 45
Netherlands	29	30 - 33
Czechoslovakia	17	15 - 16
Greece	22	20 - 25
Irish Free State	18	18 - 19
Austria	15	14 - 17
Switzerland	15	16 - 18
Sweden	8	7 - 9
Norway	9	7 - 9
Denmark	17	10 - 12
Finland	6	6 - 7
Poland	4	2 - 6
Estonia	1	1 - 2
Latvia	3	2 - 3
Spain	a/ (15)	0 - 1
Portugal	a/ (8)	5 - 6
Total	641	532 - 598

a/ Unofficial.

Table 13.--WHEAT INCLUDING FLOUR: Net imports into European importing countries 1928-29 and 1929-30

Country	Net imports reported		
	July 1 to	1928-29	1929-30
		Million bushels	Million bushels
United Kingdom	Jan 31	118	129
Italy	" 31	49	14
Germany	" 31	42	45
France	Dec 31	24	25
Belgium	" 31	22	23
Netherlands	Jan 31	18	17
Czechoslovakia	Dec 31	10	7
Greece	" 31	9	11
Irish Free State	" 31	9	10
Austria	Oct 31	4	5
Switzerland	Jan 31	9	11
Sweden	" 31	5	5
Norway	" 31	5	4
Denmark	Dec 31	7	4
Finland	" 31	3	4
Poland	" 31	2	a/
Estonia	" 31	1	1
Latvia	Nov 30	1	1
Total		338	316

a/ Less than 500,000 bushels.

Table 14.--Estimated wheat surplus of 4 Continental European countries. 1929-30

Country	Estimated:		Net exports	
	Net exports	surplus	July -	November
	1927-28	1928-29	1928-29	1929-30
			Estimated:	
			Feb 28	
			1930	
	Million bushels	Million bushels	Million bushels	Million bushels
Rumania	7	2	1	a/
Yugoslavia	1	8	20	b/ 19
Hungary	22	24	23	c/ 7
Bulgaria	3	1	d/	-
Total, 4 countries	32	35	44	32

a/ Less than 500,000 bushels. b/ Preliminary, July-December.

c/ July - October. d/ Reports indicate Bulgaria is importing some wheat this year.

The Continental European wheat market situation during February 1930 a/

February has passed with the important Continental wheat importing countries still failing to give evidence of beginning to draw heavily on overseas countries for their wheat supplies. Some increasing tendency in imports is apparent, and shipments to the Continent are rising slowly, but active buying has not developed, and continental prices have followed, though slowly, the general downward tendency on overseas markets.

The continued lack of demand is due primarily to the pronounced weakness in wheat prices, though there is growing belief that only somewhat underestimated European crops can explain the Continent's ability to postpone purchases to the extent revealed this year. In any event, it is evident that Europe has been living to an abnormal extent from her own supplies, and that domestic stocks will be reduced to extremely low levels this season. The trade is unanimous in the belief that heavy buying can be delayed but little longer. An unfavorable turn in the crop outlook, particularly in Europe, would probably accentuate demand to a marked extent during the remainder of the season.

The downward tendency of wheat prices during February has been, naturally, most pronounced in the importing countries, with the sharpest slump in Italy, though German and French quotations also fell considerably. The decline in these markets, though not as great as in America, was apparently somewhat accentuated by sales of both French and Russian wheat. There was no longer any pressure from the Danube, as export supplies there are so nearly exhausted that prices have been well maintained in the face of recession on other markets. The spread between Danubian and overseas prices has now become very wide, and it has also increased during the month for most other continental points as compared with Chicago.

a/ By Agricultural Commissioner Loyd V. Steere, Berlin, Germany, February 28, 1930. Supplemented by cables to March 15, 1930.

Table 15.--Price spread per bushel, Chicago - Europe a/

	: <u>BERLIN</u> :	: <u>PARIS</u> :	: <u>GENOA</u> :	: <u>VIENNA</u> :	: <u>HUNGARY</u> :
	: "Markischer" :	: Domestic :	: Domestic :	: "Vienna: "Tisza" :	
Date	: wheat :	: wheat nearest :	: wheat nearest :	: Boden": wheat :	: 79/80 kg :
	: spot :	: month :	: month :	: spot :	: spot :
	:1928-29:	:1929-30:	:1928-29:	:1929-30:	:1928-29:
	:1929-30:	:1928-29:	:1929-30:	:1928-29:	:1929-30:
	: <u>Cents</u> :	: <u>Cents</u> :	: <u>Cents</u> :	: <u>Cents</u> :	: <u>Cents</u> :
	: <u>Cents</u> :	: <u>Cents</u> :	: <u>Cents</u> :	: <u>Cents</u> :	: <u>Cents</u> :
Sept 6.....	+29.75 :	+17.69 :	+53.96 :	+21.89 :	+23.41 :
Dec 6.....	+18.64 :	+30.91 :	+47.70 :	+23.46 :	+ 6.19 :
Jan 10.....	+17.64 :	+31.14 :	+48.04 :	+21.15 :	+13.54 :
Jan 31.....	+15.84 :	+39.70 :	+44.00 :	+26.15 :	+ 8.54 :
Feb 21.....	+12.63 :	+39.42 :	+41.50 :	+28.90 :	+ 2.47 :
Feb 28.....	+18.79 :	+38.82 :	+45.52 :	+32.40 :	+ 8.33 :
Mar 11.....	+21.00 :	+45.00 :	+47.00 :	+36.00 :	+ 6.00 :
					+ 5.00 :
					+16.00 :
					+22.00 :

a/ Above (+) or below (-) Chicago.

b/ The spread on March 7 was 2.00 cents.

The wheat stock situation on the Continent at the end of February can be regarded as generally more favorable for increased imports from overseas, because of the evidence that all the important importing countries have continued to draw to an abnormal extent upon domestic supplies, which have already been much reduced by large consumption throughout the season. There is every reason to believe that Europe will go into the next crop year with very low stocks of native wheats, France, however, may end the season with relatively larger supplies than other countries.

Stocks of foreign wheat at the northwestern European ports and in trade channels have shown some tendency to rise during February, but are still to be regarded as very moderate. The increase has been due as much to smaller takings by the interior mills and the trade following some revival of imports in January, particularly in Germany, as it is to larger arrivals, although arrivals at several important ports have increased in February. Stocks of foreign wheats held by Central European mills are reported to have been larger in February than in January as a result of increased movement inland during January and early February.

Table 16.--Wheat stocks at certain European points

Date	Antwerp	Rotterdam	Hamburg	Berlin	Hungarian warehouses
	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>
1929-30					
Oct 31	3,800	2,800	---	700	4,800
Jan 15	1,500	1,300	900	700	4,200
Jan 31	680	1,200	900	680	4,000
Feb 15	580	1,300	1,700		3,700
Feb 22		1,400			3,600
Feb 28	960			1,000	
Mar 8		1,800			3,300

The net effect of this continued small import movement and buying of overseas grain by the Continent, and the apparently growing belief that the 1929 continental wheat crop may have been somewhat underestimated, has been to make it seem necessary further to revise previous estimates of the continental deficit in the 1929-30 season. It now seems doubtful that continental import requirements for the season will exceed 300,000,000 bushels as compared with 308,000,000 bushels estimated at the end of January and 387,000,000 bushels actually imported last season. This would mean that Europe's requirements this season will fall 24 per cent below those of last year. The revision in the deficit estimate includes reductions of 11,000,000 bushels for Italy, 1,800,000 bushels for Holland, 1,300,000 bushels for Poland, 1,100,000 bushels for Portugal and an increase of 3,700,000 bushels in the surplus of Yugoslavia, while France's deficit has been increased by 3,700,000 bushels, Czechoslovakia's by 1,800,000 bushels and Switzerland's by 900,000 bushels.

Continental wheat imports have continued to maintain a very low average from the beginning of the season (July 1) to January 15, totaling only 5,000,000 bushels per week as compared with 7,500,000 bushels last season. If the estimated deficit of 300,000,000 bushels this season is to be covered, weekly imports from January 15 to the end of June must average 6,000,000 bushels as compared with 7,400,000 last year. As overseas shipments to the Continent up to the present time have remained on relatively low levels, there will have to be a very large increase in the shipments and imports in the last few months of the season, if the indicated deficit is to be covered. Imports from March on, in fact, will have to be considerably larger than in the last three months of last season, if this is to take place. All available evidence indicates that Europe has these large requirements, whose covering would mean an almost overnight change in the current apathy of the market.

Table 17.--Estimate of continental wheat and flour movements from overseas

Item	:	1928-29	:	1929-30
	:		:	
Continental deficit.....	:	<u>1,000 bushels</u>	:	<u>1,000 bushels</u>
	:	387,458	:	295,764
Net imports of deficit countries	:		:	
6 $\frac{1}{2}$ months	:	<u>a/ 232,475</u>	:	<u>a/ 182,945</u>
Estimated share of Danube . . .	:	22,046	:	40,418
Net imports minus share of Danube	:	<u>b/ 210,429</u>	:	<u>b/ 142,527</u>
Estimated net imports of deficit	:		:	
countries 5 $\frac{1}{2}$ months, ending June 30:	:	187,648	:	156,931
Estimated share of Danube	:	10,619	:	3,674
Net imports minus share of Danube	:	177,029	:	153,257

a/ Actual data, with estimates for Spain and Portugal included; these estimates assume, for 1928-29, the same percentage distribution of net imports over the year as in the case of the other 16 continental countries, for 1929-30, 50,000 tons for Portugal.

b/ World shipments for these 6 $\frac{1}{2}$ months, with a lag of one month behind imports, were 138,412,000 bushels in 1929-30, and 204,403,000 bushels in 1928-29, thus approximating very closely the above figures. We changed the lag of one month to 6 weeks behind imports because of the fact that most of the leading countries close their import statistics by the 20th of the month reported. (January = December 21 - January 20)

Prospects for 1930 crops

Reports on the winter wheat crops in the northern hemisphere so far this season are regarded as generally bearish by the European grain trade, and have been an important factor in shaping the trade attitude in recent weeks. This is particularly true of reports on the American winter wheat crop disseminated in Europe. Information on the European crop, with indications of somewhat increased acreage in many important countries and rather generally favorable reports of good progress of the seeds during the winter, is also regarded in much the same light, although there has been rather widespread comment about crops being too far advanced as a result of the mild winter. From certain countries, particularly in Central Europe, the Danube and France, there has also been complaint of freezing and thawing, and possible frost damage as a result of generally light snow cover. It should be pointed out, however, that while snow cover has been lacking during most of the winter over all Europe, there have been no prolonged periods of really low temperatures, and there is as yet no confirmation of actual damage due to weather. Some winter kill is to be expected in the Upper Danube on exposed fields, as low temperatures were experienced there, but the extent of damage from freezing and thawing cannot yet be determined as this has quite generally resulted from night frosts and warm days rather than from longer, alternating, cold and warm spells. A few late reports, however, are beginning to indicate that another aspect of the past winter may assume considerable importance as a crop factor, unless more favorable weather develops. Snowfall and rain have been comparatively light over large areas of the Continent this winter, and reports from the Danube Basin state that soil moisture is much smaller than usual. There is some indication that this is also the case in Germany and Poland, as precipitation over much of this area has been below normal during the past four months. As March, April and May are normally months of comparatively light rainfall in northern Central Europe, it is apparent that the growth season is starting with none too favorable conditions. If crop outlook developments should grow less favorable, there is little doubt but that Europe will show much greater readiness to cover its import requirements for wheat during the remainder of the season.

Feed grain markets

Conditions in the feed grain markets must also be regarded as having an unfavorable effect upon the demand for bread grain. Practically all feed grains are at low levels and showing a tendency to decline further, an important factor being the favorable reports on the coming Argentine corn crop. Large offers of barley from the Danube and from Russia are also a depressing influence. The cheapness of corn prices is reported to be having a direct influence on the home demand for wheat in southern Europe, and has had a very evident effect in increasing the exportable surplus of wheat in the Danube Basin and curtailing wheat import requirements in Italy. The low prices of feedstuffs are undoubtedly an important factor in the extremely depressed condition of the rye market in northern Europe, as there is little incentive to feed rye, in spite of the fact that a large surplus exists. Germany is holding very large stocks of imported barley brought in during December and January prior to the recent tariff increase. The Danube has not been able to ship as much corn as had been expected this fall because of high moisture content, but exports in the Spring will probably be larger than anticipated.

Germany

The German wheat and flour markets have been generally dull throughout most of February, with prices declining in sympathy with overseas in spite of the fact that the new tariff rates became effective on February 11. An agreement just reached between the leading parties of the German Reichstag proposes to increase the import duty on wheat to 78 cents per bushel and on flour to \$2.51 per 100 pounds and it is generally believed that the bill will pass the Reichstag to become effective immediately. The bill provides for a reduction in rates in event of a substantial price increase. Wheat imports, which were unexpectedly large in January, continued active up to February 11, but subsequently have been very quiet although exceptionally heavy import buying of grain was reported to have occurred on one day, February 21.

The large January imports and the unexpectedly sharp drop in German prices in the face of the tariff increase and continuance of compulsory 50 per cent milling of domestic wheat, as well as the comparatively reduced levels of domestic grain stocks indicated by German farm stock figures, are somewhat unfavorable from the standpoint of import buying in the immediate future, unless a reaction in prices takes place. Reports on some increase in mill stocks of grain on hand, both foreign and domestic, in recent weeks, seem to foreshadow at least temporarily slower demand, and the extension of compulsory 50 per cent milling to March 31, with the Government having the authority to extend this to May 31, also insures, that domestic grain will continue to disappear at a rapid rate, somewhat to the disadvantage of overseas grain. There has been some recent agitation by agricultural organizations for raising the percentage to 60 per cent. While these developments are temporarily unfavorable, there can be no doubt that imports will be large in the latter part of the season.

The situation in the German rye market continues very unsatisfactory, so much so, in fact, that the Government has felt compelled to advance about \$1,760,000 to be used for the purchase and storage of rye in an effort to stabilize prices. Efforts to reach an agreement with Poland for a joint, rye export syndicate, in order to prevent more or less cut-throat selling of the rye surplus on the Scandinavian market, have finally been successful. Details of the agreement, which provides for a quota of 60 per cent for Germany and 40 per cent for Poland of the total rye exports from the two countries, are under preparation and will be submitted separately. Another measure for support of the rye market has just been presented to the Reichstag by the Government in the form of a bill giving legal definitions for different kinds of bread. Rye bread and wheat bread, under this bill, must contain at least 95 per cent of rye and wheat flour, respectively, whereas rye bread now usually contains about 20 per cent wheat flour. The Government seems hopeful of a considerable increase in consumption of rye through this medium, but it remains to be seen how effective the measure will be. The measures for support of the rye market, generally speaking, are regarded as having had little apparent effect as yet.

The following table shows the development of domestic wheat and rye spot prices:

Table 18 - GERMANY: Price per bushel of domestic wheat and rye, January 8-March 12, 1930

Date	Wheat			Rye
	Hamburg <u>a/</u>	Breslau <u>a/</u>	Berlin <u>c/</u>	Berlin <u>d/</u>
	Cents	Cents	Cents	Cents
1930				
Jan 8 ..	167	154	159	96
15 ..	169	157	160	96
22 ..	168	156	161	95
29 ..	168	156	159	98
Feb 5 ..	165	152	154	97
12 ..	165	150	155	97
19 ..	161	147	151	97
26 ..	158	144	147	97
Mar 5 ..	156			97
12 ..	159			86

a/ Wheat of any German district of at least 56.7 pounds per Winchester bushel.

b/ Wheat of any German district in carloads of 370 bushels of at least 56.7 pounds per Winchester bushel.

c/ "Markischer" wheat of 59-60 pounds per Winchester bushel.

d/ "Markischer" rye of at least 56 pounds per Winchester bushel.

German imports of wheat in January, as previously stated, were unexpectedly large as a consequence of the approaching tariff increases, the net figure for wheat and wheat flour amounting to about 10,104,000 bushels as compared with 5,907,000 bushels in December and 4,437,000 bushels in January 1929. The import figures for February are also expected to be relatively large as a result of the heavy takings in the first part of the month, but it is hardly likely that they will rise to the levels of January. German exports of wheat are now dropping off and were much smaller in January than last year.

There have been no recent developments to warrant revision of previous estimates that German import requirements this season will be about 77,000,000 bushels. The larger import movement recently will probably be reflected in somewhat reduced takings in the immediate future, followed by a revival later on.

The visible trade stocks of grain in Germany appear to have increased during January and early February as a result of the large import movement during this period. Stocks in Berlin rose from 21,314 short tons at the end of December, to 26,065 short tons at the end of January. January 31 stocks last year were 13,516 short tons. Visible rye stocks are also more than twice as large as last year. Reports from certain flour mills indicate increased stocks, too, though others state that supplies are moderate.

Stocks of wheat on German farms as of February 15, 1930 are only slightly lower than a year ago. Trade reports state that farmers have been very reluctant to sell grain at levels prevailing since the end of December, hoping for improvement in prices as a result of Government measures. The compulsory milling regulations, however, should insure continued large demand for domestic grain by the mills. Although the farm stocks are already indicated to be low, there has been some press comment to the effect that these figures do not indicate the true level to which farm stocks have sunk, because of failure to give due weight to the financially weak farms which have had to sell all the crop. It does not seem that the picture would be materially changed even if this criticism is warranted.

Table 19 - GERMANY: Stocks of grain, February 15, 1929 and 1930

Grain	Production		Farm stocks, Feb 15		Stocks available for sale, Feb 15	
	1928	1929	1929	1930	1929	1930
	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
Winter wheat	127,194	112,687	39,600	36,100	28,600	28,200
Winter rye .	330,719	316,993	121,000	130,000	61,500	69,700
Spring barley	132,614	128,591	44,400	50,200	23,700	27,000

Based on the percentage estimate of the German Agricultural Council.

Reports on winter grain crops in Germany have been generally favorable to date, with indications that there has been a small increase in the acreage of both wheat and rye, at least in Prussia. It is agreed that there has not been much frost damage, and injury from freezing and thawing is yet to be confirmed. A recent article by a prominent German farmer, however, states that there is a pronounced lack of sub-soil moisture, - more than in any of his 25 years experience, - which may become serious unless there is marked improvement in the next two months, which are normally months of comparatively light rainfall in this part of Europe. Official figures on precipitation at Koenigsberg, Berlin and Cassel confirm that rainfall across this wide stretch of territory has been small, - less than 80 per cent of normal in the period November to January inclusive, - and, furthermore, February has been very dry. (November-February, these three stations averaged only 72 per cent of normal). Drainage has probably also been aided by the mild winter. The same farmer states that heavy rains in the next two months, such as would be required to fill up the lack of sub-soil moisture, would be unfavorable for the soil from both a bacteriological and physical standpoint, and therefore, comes to the conclusion that the immediate outlook for the crop is not particularly favorable. It is so early in the season, of course, that the outlook can be changed materially by subsequent developments.

France

The French wheat market has shown tendencies somewhat different from those prevailing in other countries during February. Large domestic marketings brought about a decline in wheat prices in the latter part of January

and the first part of February, but, thereafter, the market became firmer and quotations showed a slightly upward tendency for the month as a whole. The stronger tone of the market was due to reduced farm marketings and to rumors of additional relief measures for support of the wheat market. Sales of French wheat to Holland, Belgium, Germany, Italy and England also added strength.

In spite of the firmer tone, however, there are indications that France still has considerable stocks of wheat on hand, and it does not seem likely that net imports into France during the balance of the season will be very large, though apparently little more will be required than had been expected a short time ago. Takings for the season are estimated at 29,000,000 bushels, exports considered.

The French crop has made rapid progress during the winter, in fact, there has been complaint of too rapid growth, but until recently conditions of the crop were regarded as very favorable. February reports, however, have expressed some concern about the effect of freezing and thawing weather, and the tone of reports indicates that at least small damage has probably occurred.

Italy

After giving evidence of the development of some import demand for overseas wheat in January and early February, activity on the Italian market took an unfavorable turn during the balance of the month, and very little business for import was done. Trade opinion is that Italy still has considerable domestic wheat available, although stocks are not to be regarded as large. The supplies will certainly have to be pieced out by increased imports during the last months of the season, although it now appears that Italian import requirements this year will be considerably smaller than expected earlier. It seems doubtful, in fact, whether Italy will import more than about half of the volume taken last year.

Italian imports of wheat from July 1 to January 31, 1930 have amounted to only 14,000,000 bushels as compared with 51,000,000 bushels in the corresponding period last year. Figures on arrivals at Italian ports in February point to some increase, but it now seems probable that not more than 29,000,000 bushels will come in during the last five months of the season, or a total of about 44,000,000 bushels for the year. The recent increase in arrivals is thought to consist largely of French, Russian and Hungarian wheat purchased at the end of January and early February, when market activity revived somewhat. Overseas wheats are still generally neglected, though a report just received from Dawson at Genoa states that there will probably be a small demand for American durum during the balance of the season. Manitobas will probably find more favor than American wheats, for reasons of quality.

Dawson reports that the low price of all grains, and particularly the very low level of corn, which is only about 50 per cent of the tariff-protected wheat price in Italy, is having the effect of increasing consumption of other grains at the expense of wheat. He mentions rice as another cereal whose low price has been a factor in Italy. He states that the condition of the crop is very good but the weather in March will be an important factor in making the crop.

Holland and Belgium

The Dutch and Belgian port wheat markets have been much under the influence of German buying during February, with considerable activity in spot wheat prior to the German tariff increase on February 11, but little thereafter. Subsequent trading has been almost entirely for domestic account.

As a result, port stocks have shown a slightly rising tendency this month, after declining steadily since October. Stocks are still very moderate, however, and promise to continue so for some time to come, as afloat shipments are small and interior demand is not likely to remain dormant for any length of time. Both Antwerp and Rotterdam have reported transactions in French and Russian wheat in February, though amounts have been small.

Both Holland and Belgium are taking a little more foreign wheat than last year, and together seem likely to import about 3,700,000 bushels in excess of last season's takings.

The Danube Basin

Grain markets have been dull generally in the Danube Basin during February. At times, however, Hungary effected some fairly large sales of wheat to both Austria and Italy, the latter country having again shown some interest after a period of stagnation. Flour business was reported very unsatisfactory in Austria and Czechoslovakia at the end of the month, particularly for lower grade flours. Danubian wheat prices, however, showed great resistance to tendencies on outside markets during the month, the spread at Budapest at the end of February in fact, being practically 12 cents above that prevailing at the end of January.

Price-spread per bushel

Hungarian Tisza Wheat, 79/80 kg., spot, above (+)
or below (-) Chicago Futures, nearest month 1929-30

	<u>Cents</u>		<u>Cents</u>
Sept 6	-5.86	Jan 10	+5.09
Oct 4	-10.70	" 17	+7.00
Nov 6	+3.50	" 31	+8.75
Dec 6	+3.38	Feb 21	+23.17
Dec 20	+9.91	" 28	+20.30

The relatively strong price situation in the Basin is due to the further reduction and practical exhaustion of surplus supplies, as reports are unanimous that very little wheat will be exported during the balance of the season, unless prices become unusually attractive. In any event the carry-over will be abnormally small. The steady decline in visible supplies in Hungary is indicated by the following figures on stocks in public and co-operative warehouses:

<u>Date</u>	<u>1,000 bushels</u>	<u>Date</u>	<u>1,000 bushels</u>
Sept 1, 1929	2,400	Jan 20, 1930	4,150
Oct 7, 1929	4,500	" 31, 1930	4,000
Nov 4, 1929	4,800	Feb 15, 1930	3,700
Dec 2, 1929	4,700	" 22, 1930	3,600
Jan 13, 1930	4,200		

Current grain reports and recent figures on Yugoslavian wheat exports indicate that Yugoslavian shipments abroad this season will probably exceed the previous estimate of 16,500,000 bushels. Exports to the end of December had reached 19,000,000 bushels and a continued small local movement across the borders will probably continue, particularly to Bulgaria, although reports agree that stocks are much reduced. The exceptionally low prices for corn appear to be making more wheat available for export than could normally be expected from the crop produced this year. It is possible that some wheat or flour might have to be imported before the close of the season, but probably not in any great quantities.

Danubian shipments of wheat continue to decline rapidly. In the two weeks subsequent to February 13 they amounted to only 73,000 bushels.

Recent reports indicate that the Czechoslovakian Government is considering the introduction of rye milling regulations to enforce a fixed percentage of rye flour in bread in an effort to support the rye market.

Poland

The Polish wheat and rye markets, following a slight improvement in January, have been generally weak throughout February, in spite of the fact that the rye export-syndicate agreement with Germany was concluded and signed during the month. As the agreement contains no provisions that could be expected to increase exports, and as the domestic stocks of rye are large enough to exert a very depressing influence on the market, domestic demand has continued restricted. Polish agricultural and trade circles show considerable dissatisfaction with the agreement and do not anticipate that it will be beneficial.

Soviet Russia

Russia has appeared on European markets as an important exporter of most of the chief grains during February. The bulk of sales and exports, however, consisted of barley and wheat. The shipments of wheat occurred largely during the last week in January and the first two weeks in February and have since declined sharply, in fact, no wheat was reported shipped from Black Sea ports in the last week of February. The exports are evidently being made largely from the Black Sea region, though some shipments, particularly of rye, have moved from Baltic ports. Total shipments of all grains from South Russian ports up to February 26 have amounted to about 524,000 short tons, divided as follows:

	<u>1,000 bushels</u>
Barley	17,591
Wheat	2,168
Corn	591
Rye	551
Oats	344

The shipments of Russian grain are going to practically all important importing ports, Italy, England, Holland and Germany having taken wheat, and the Scandinavian countries rye. Holland and Germany have also received large quantities of barley, some of which is reported as still unsold and accumulating at ports.

A very interesting angle of the situation is that, in spite of these rather large shipments, going on in the case of barley since the first of December, there is no mention of grain exports in the Soviet press. This fact seems to lend considerable weight to the evidence that Soviet grain exports this season are rather in the nature of forced shipments, dictated by pressing needs for foreign exchange. The authorities apparently do not want the exports to become public knowledge. While the barley crop is reported favorable, numerous reliable reports indicate that an actual shortage of feedstuffs exists in some parts of Russia, and has been something of a factor in the large slaughter of livestock reported in recent months. In some sections of the country a surplus probably exists, and in others it seems possible that slaughtering of livestock may have made certain quantities of feed grains available to the Government, but there seems to be a close connection, one way or the other, between the reported large livestock slaughter and the exports of feed grains.

Just as the Russian government makes no mention of grain exports to date, it is also saying nothing, at least publicly, as to probable further exports this season. There is, therefore, no reliable basis for estimating what can be expected from Russia in the way of future grain shipments. The fact that wheat exports have dropped off in February may indicate that no more wheat will be exported, but should not be accepted as conclusive evidence that this is the case. Total wheat exports to date from the Black Sea ports, however, have amounted to only 2,168,000 bushels, which is much below the estimates of 4,800,000 to 16,000,000 bushels rumored in certain circles of the continental grain trade several weeks ago. There is no reason for altering previous statements that Russia has no real export surplus of wheat this year.

As to the new season in Russia, all reports indicate that the Government is now staging a tremendous drive for the carrying through of the spring sowing campaign. The plans for 1930 are very ambitious and the necessity for great emphasis on the spring campaign is rendered all the more necessary by the failure of autumn sowings to come entirely up to expectations. The government plans foresee no less than a 16 per cent increase in grain production for 1930, based on a 10 per cent increase in acreage and a sufficient increase in yield to make up the balance. Recent developments in collectivization of Russian agriculture, i.e., a virtual stampede of the peasantry into collectives - if press reports are to be credited even to a moderate extent - seem likely to prove a serious handicap rather than an aid to carrying out of the 1930 production plan, as a part of the forces otherwise free for current spring work are required in the organization and reorganization of the newly founded collective farms. It remains to be seen whether the disadvantages of collectivization will be offset this year by the advantages of "factory" farming. Data as of February 10 for RSFSR, Ukraine and White Russia indicated that 10,657,000 farms, comprising 48.5 per cent of all farms in the country, and including an area of 170,000,000 acres, had been turned into collective farming enterprises, naturally, of varying sizes. The effect of such a tremendous movement is difficult to comprehend or forecast, particularly if attended by the far reaching disorganization incident to an almost complete change from previous methods, shortage of equipment, etc., which reports indicate to exist.

Perhaps the most pressing immediate problem indicated in reports from Russia in recent weeks has been that of the collection of seed for the spring sowing campaign, which, up to the first of February, had been completed to only a very small extent. Under extreme pressure from the Government, however, there has been a marked change in the pace of collections during February, and recent reports indicate that the plan had been over 80 per cent completed as of February 25, although in some districts, particularly in the Volga region and in other sections of eastern Russia, the results are very unsatisfactory. Furthermore, in view of the exceedingly rapid pace of collectivization and the fact the collection plans for sowing material for collective farms were fixed several months ago, it is difficult to make out whether collections actually come as near meeting requirements for seed as reports indicate. According to the Soviet press, the establishment of new collective farms is still going on at a very rapid rate, so that the quantity of seeds planned for at present may prove inadequate in the spring because of the tremendous increase in the acreage under collectivization. Soviet officials recognize this fact, and are pointing out the necessity of continuing collections notwithstanding the execution of the plan in some regions.

The same situation also applies in other lines of preparatory work, as there is continual complaint of inadequate and delayed production and shipment of agricultural implements, fertilizers, etc. If the changes in the Russian system of farming are as great as reports will have us believe, it is difficult to see how the necessary equipment, seed and power, can be assembled for the approaching sowing campaign. In any event, 1930 must be regarded as perhaps the most critical year in Russian agriculture since the war, and certainly one with the greatest possibility for unusual developments, either tremendously unfavorable, or in the way of demonstrating unusual prospects for the future.

Table 20. - WHEAT: Balances, season July 1 to June 30,
1928-29 and 1929-30

Country and item	1928-29	1929-30
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
<u>GERMANY</u>		
Production	141,593	123,073
Net imports:		
July - Jan	42,494	45,000
Feb - June	26,004	
Apparent utilization	210,091	
<u>ITALY</u>		
Production	228,596	260,669
Net imports:		
July - Jan	48,552	14,000
Feb - June	41,192	
Apparent utilization	318,340	
<u>FRANCE</u>		
Production	281,285	319,863
Net imports:		
July - Jan	24,034	25,402
Feb - June	27,054	
Apparent utilization	332,373	
<u>BELGIUM</u>		
Production	17,986	15,995
Net imports:		
July - Dec	21,743	22,911
Jan - June	19,620	
Apparent utilization	59,349	
<u>NETHERLANDS</u>		
Production	7,336	4,666
Net imports:		
July - Jan	17,700	17,214
Feb - June	11,120	
Apparent utilization	36,156	
<u>CZECHOSLOVAKIA</u>		
Production	51,499	48,065
Net imports:		
July - Dec	10,211	7,296
Jan - June	6,982	
Apparent utilization	68,692	

Continued

Table 20. - WHEAT: Balances, season July 1 to June 30,
1928-29 and 1929-30 - Contd

Country and item	1928-29	1929-30
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
<u>SWITZERLAND</u>		
Production	4,270	a/ 5,791
Net imports:		
July - Jan	9,397	10,984
Feb - June	6,098	
Apparent utilization	19,765	
<u>GREECE</u>		
Production	13,085	8,481
Net imports:		
July - Dec	9,456	10,862
Jan - June	12,687	
Apparent utilization	35,228	
<u>DENMARK</u>		
Production	12,214	11,758
Net imports:		
July - Dec	7,278	4,497
Jan - June	9,766	
Apparent utilization	29,258	
<u>POLAND</u>		
Production	59,219	60,259
Net imports:		
July - Dec	2,251	297
Jan - June	5,364	
Apparent utilization	66,834	
<u>SWEDEN</u>		
Production	19,155	18,724
Net imports:		
July - Jan	4,575	4,920
Feb - June	2,978	
Apparent utilization	26,708	
<u>FINLAND</u>		
Production	998	1,095
Net imports:		
July - Dec	3,324	3,843
Jan - June	2,771	
Apparent utilization	7,093	
<u>LATVIA</u>		
Production	2,499	2,366
Net imports:		
July - Nov	1,249	1,249
Dec - June	1,543	
Apparent utilization	5,291	
a/ Includes spelt.		

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FOREIGN NEWS ON WHEAT

WORLD WHEAT CROP AND MARKET PROSPECTS

The world wheat supply situation has not changed materially in the past month, but the world market situation has improved. The shortage of the Argentine crop is beginning to be felt. Supplies in the United States continue large and the carryover of wheat in this country on July 1 may be about as large as on July 1, 1929. Should the April forecast of winter wheat production be borne out, the surplus of hard winter wheat may be about the same as at the beginning of the present season. However, with supplies in Argentina much less than a year ago, there should be a better opportunity than last year for exporting wheat of both the old and new crops in July and August. A good export movement in these months would tend to prevent congestion in the domestic markets in the period of heaviest marketing. It is too early to make a definite estimate of the probable world production, but areas seeded and conditions reported to date in foreign countries indicate that no bumper world crop is likely to be harvested in 1930.

It is probable that the total amount of wheat in Canada on April 1 available for export and carryover at the end of the season was about 180 million bushels as compared with 197 millions a year ago. The farm stocks reported of March 1 amounted to about 45 million bushels, 19 millions less than a year ago. The total supply of Canadian wheat was reported to have been about 228 millions or 18 millions less than a year ago.

In the past season Canada exported 70 million bushels of wheat in the three months April-June. Under present conditions not quite so much

may be exported. It seems reasonable to assume, however, that exports for the remainder of the season will amount to between 55 and 70 million bushels, which would leave for export and carryover nearly as much Canadian wheat as on July 1, 1929.

The Argentine surplus for export and carryover on April 1 is estimated to have been about 65 million bushels. This is based upon the assumption that the crop will turn out to be about 160 million bushels and that stocks of old wheat on January 1 amounted to about 25 million bushels. In the past few weeks Argentina has been shipping an average of a little over 2 million bushels per week. If this rate is continued, during the next three months exports will amount to 30 to 35 million bushels, and the surplus remaining on hand as of July 1 would be about 30 to 35 million bushels or 90 millions less than at the beginning of our present marketing season.

Australia apparently has something over 60 million bushels of wheat for export and carryover. She has been shipping in the past few weeks about $1\frac{1}{2}$ million bushels per week. Australia can and probably will ship during the next three months 25 to 30 million bushels, leaving a surplus on July 1 about the same as a year ago.

It seems likely that the world stocks of old wheat in surplus producing countries and afloat on July 1 will be about 125 million bushels less than at the beginning of the present marketing season. Unless exports increase materially in the next two months, the carryover in the United States is likely to be about as large as a year ago. The carryover on farms may be smaller but the visible supply and holdings of interior mills and elevators may continue larger than a year ago. Stocks in Canada, however, may be somewhat less and in Argentina materially less than a year ago. Judging from present tendencies it would seem that the amount of wheat afloat is likely to be smaller, the stocks in some European countries lower and in European ports no larger than a year ago.

Table 1.--WHEAT, INCLUDING FLOUR: Net exports from principal exporting countries, 1928-29 and 1929-30

Country	Estimates		Net exports		Net exports remainder of the season	
	1929-30	July 1 to	1928-29	1929-30	1928-29	1929-30 Estimated
	Million bushels		Million bushels	Million bushels	Million bushels	Million bushels
United States	150-155	Mar 29	111	113	31	37-42
Canada	195-210	Mar 31	350	a/ 140	71	55-70
Hungary	22-26	Dec 31	12	20	12	2-6
Yugoslavia	20-22	Dec 31	6	19	2	1-3
Argentina	160-170	Mar 29	145	135	72	25-35
Australia	65-75	Mar 29	82	47	26	18-28
Total	612-658		706	474	214	138-184

a/ Exports for March estimated.

Table 2.--WHEAT: World supply, price and disappearance, 1923-24 to 1929-30

Year	Production						
	United States	Canada	Argentina	Australia	Europe a/	All other b/	World Production
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1923-24	797	474	248	125	1,257	650	3,551
1924-25	864	262	191	165	1,058	610	3,150
1925-26	676	395	191	115	1,397	667	3,441
1926-27	831	407	230	161	1,210	596	3,435
1927-28	878	480	239	118	1,268	678	3,661
1928-29	915	567	c/ 350	160	1,407	551	3,950
1929-30 d/..	807	300	c/ 160	125	1,406	622	3,420
	Stocks				Average price per bushel		
	Shipments from	accounted for	Total supply	Total disappearance	British parcels	Number 2 hard winter at	
	Russia	July 1				Kansas City	
	Million bushels	Million bushels	Million bushels	Million bushels	Cents	Cents	
1923-24	21	320	3,892	3,541	121	105	
1924-25	1	351	3,502	3,212	179	135	
1925-26	27	290	3,758	3,483	170	163	
1926-27	49	275	3,759	3,413	164	135	
1927-28	5	346	4,012	3,588	154	135	
1928-29	0	424	4,374	3,760	129	112	
1929-30 d/..	3	614	4,037	3,550	e/ 136	f/ 122	

e/ Excludes Russia. b/ Excludes Russia and China. c/ Unofficial.

d/ Preliminary. e/ July-February. f/ July-March.

Wheat prices

After reaching their lowest point about the middle of March, wheat prices turned upward and by the end of the month were well above their lowest levels. The lowest closing price of May wheat at Chicago was 106.7 cents per bushel which was reached on March 15, while the lowest close for July wheat was reached on March 12 at 103.7 cents per bushel. By the twentieth of the month, however, both May and July wheat had closed at over 108 cents per bushel, and prices fluctuated close to this level through the remainder of March. Early in April there was some further improvement, prices of May wheat for the first ten days of the month fluctuating around the level of 114 cents per bushel. The highest close for this period was reached on April 5 at 115.7 cents.

In the week from April 3 to 10 as a whole prices little more than held their ground. Future closing prices showed slight advances at Chicago and Kansas City while at Minneapolis there was a decline. May futures on April 10 at Chicago closed at a trifle over 114 cents per bushel compared with a trifle under that figure a week before and about 121 cents per bushel on the corresponding date of last year. At Winnipeg May futures closed at about 115 cents per bushel which was the same as a week before and 10 cents below the level of a year ago. Overseas, wheat prices improved as compared with a week before. May futures at Liverpool advanced from 116 to 120 cents per bushel and at Buenos Aires from 104 to 110 cents during the week. The Liverpool prices were 10 cents per bushel below a year previous, while those at Buenos Aires were 2 cents higher.

For the week ended April 4 cash wheat prices in the United States were above their levels of the previous week, all classes and grades advancing from 100 to 103 cents per bushel. The greatest advances were in Durum and soft winter wheats, No. 2 amber durum at Minneapolis advancing from 97 cents per bushel the previous week to 101 cents the week ended April 4, while No. 2 red winter at St. Louis rose from 117 to 120 cents per bushel and at Minneapolis No. 1 dark northern spring advanced from 112 to 114 cents per bushel. Western white wheat at Seattle advanced from an average of 110 for the week ended March 28 to 112 cents for the week ended April 4. As compared with a year ago prices were from 8 to 15 cents lower, 2 hard winter at Kansas City being 8 cents lower and No. 1 dark northern spring 15 cents lower than a year before.

It appears to be significant that during recent weeks prices at Liverpool have risen more rapidly than prices in the United States. A continuation of this trend would put American wheats more definitely on an export basis. Buenos Aires futures have also shown a tendency in the past week to increase more rapidly than futures prices in the United States.

In the past month the May future has shifted its position as compared with the July and September futures. Thus on March 10, May futures at Chicago closed at 111.8 cents as compared with 107.2 and 109.1 for July and September respectively; whereas on April 10 the May future closed at 114.2 as compared with 115.2 and 118. cents for July and September. This development of a "carrying charge" from May to July is the natural result of the prospective large carryover at the end of the present crop season.

The high level of prices during the first ten days of April as compared with the latter part of March has apparently been due largely to evidence of damage to the winter wheat crop in the Southwest. Weather conditions and consequent crop prospects in the Southwest may be expected to continue to be a dominant market factor for several weeks. As the season advances crop prospects in the spring wheat regions in the United States and Canada will become of more and more importance as will also the amount of European takings from overseas.

Table 3 - WHEAT: Closing price per bushel of May futures

Date	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires a/
	1929: 1930:	1929: 1930:	1929: 1930:	1929: 1930:	1929: 1930:	1929: 1930:
	Cents	Cents	Cents	Cents	Cents	Cents
Feb 27	: 129	113	121	105	123	114
Mar 6	: 127	112	119	103	122	110
13	: 130	108	122	98	124	106
20	: 127	110	119	101	122	108
27	: 122	109	114	100	118	106
Apr 3	: 118	114	111	105	115	113
10	: 121	114	114	106	118	111
17	: 117		110		115	
24	: 113		105		111	
May 1	: 113		106		114	

a/ Prices are of day previous to other prices. b/ Price is for March 20.

Table 4 - WHEAT: Weighted average cash price per bushel at stated markets

Week ended	All classes:	No. 2	No. 1	No. 2	No. 2	Western						
	and grades	Hard winter	Dk.no.spring	Amber durum	red winter	white						
	six markets:	Kansas City	Minneapolis	Minneapolis	St.Louis	Seattle						
	1929: 1930:	1929: 1930:	1929: 1930:	1929: 1930:	1929: 1930:	1929: 1930:	1929: 1930:	1929: 1930:	1929: 1930:	1929: 1930:	1929: 1930:	1929: 1930:
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Feb 21	: 120	115	120	112	139	125	130	104	145	121	122	107
28	: 117	114	118	112	136	125	126	100	138	118	121	106
Mar 7	: 115	111	117	106	132	120	129	98	135	120	118	106
14	: 117	102	119	100	132	113	123	94	139	119	121	106
21	: 115	99	117	98	135	110	123	99	139	115	120	106
28	: 110	100	112	100	128	112	117	97	130	117	116	106
Apr 4	: 109	103	110	102	129	114	---	101	130	120	117	106
11	: 112		114		130		118		130		117	
18	: 112		113		133		---		128		118	
25	: 107		107		125		119		122		116	

a/ Weekly average of daily cash quotations basis No. 1 sacked 30 days delivery

Table 5.--British wheat prices
(Converted to cents per bushel)

Week ended	Parcels				
	Fear	No. 3	No. 2 hard	Rosife	British
	futures	Manitoba	winter	63 $\frac{1}{2}$ lb.	parcels
	close	northarn	shipping	Liverpool	£/
		Liverpool	Liverpool		
	Cents	Cents	Cents	Cents	Cents
1929-30					
Dec 6.....	137	156	143	140	145
13.....	133	152	136	186	140
20.....	132	149	135	132	138
27.....	134	151	136	135	141
Jan 3.....	144	157	146	139	147
10.....	139	b/ 153	142	137	142
17.....	130	b/ 147	137	133	139
24.....	132	145	136	131	139
31.....	123	140	132	132	135
Feb 7.....	123	137	128	127	127
14.....	122	135	127	123	129
21.....	115	128	126	117	121
28.....	113	125	120	116	120
Mar 7.....	112	124	120	c/ 113	119
14.....	104	119	118	108	
21.....	106	118	d/ 115	106	
28.....	109	121	116	111	
Apr 4.....	115				
11.....	120				

a/ Computed by Food Research Institute. b/ Afloot. c/ 63 pounds.
d/ 15th and 17th only.

The United States

The condition of the winter wheat crop of the United States as of April 1, indicating a crop of about 550 million bushels, greatly lessens the fear of an unwieldy surplus of wheat to be handled early in the marketing season. Should the winter wheat crop turn out to be no larger than indicated by April 1 conditions and only average yields be realized from spring seedings, the total 1930 crop might be somewhat less than that of 1929. The total supply of old wheat in the country as of April 1 may be about 10 million bushels more than a year ago and, should the utilization during the remainder of the season be no greater than a year ago, this increase might be offset by a reduction in the crop. The result would be a supply of wheat in the United States at the beginning of the 1930-31 marketing season about the same as that at the beginning of the present season, with better prospects for exporting wheat early in the season.

April 1 conditions indicate about average abandonment and possibly a little less than average yields of winter wheat. Should the area seeded be reduced by about 11.8 per cent, as indicated by April 1 conditions, the area remaining to be harvested would be about 38,500,000 acres, 1,600,000 less than last year, and a little less than the average of the ten years ending with 1928.

An analysis of conditions also indicates a yield of about 14.3 bushels per acre on the area that would remain for harvest. This would be slightly lower than 1929 and lower than the average yields. The Crop Reporting Board interpreted conditions reported as of April 1 to indicate a production of about 550 million bushels, compared with 578 millions in 1929 and an average of 588 millions in the ten years ending with 1928. This would be still a fairly good crop but the smallest crop harvested since 1925.

Conditions in the several States indicate the most extensive abandonment in Washington, Ohio, Indiana and Illinois, which will curtail the production of white and soft red winter wheats. An analysis of production forecasts by States indicates that the soft red winter wheat crop might turn out to be only about 169 million bushels, compared with 191 millions in the past season and an average of 180 millions in the past five years. This would reduce the domestic production below the average domestic use of this class of wheat.

Special interest will be directed to the hard winter wheat production because of the problems involved in handling the surplus of that crop. The acreage of hard red winter wheat has been expanding in several States, and the April 1 condition of the crop in many of these States does not indicate excessive abandonment or low yields. The condition reports by States indicate a crop of about 342 million bushels, about the same as a year ago and 20 millions more than the average of the past five years.

The handling of the 1930 hard winter wheat crop, however, may not prove to be so difficult a problem as that of handling the 1929 crop. The stocks of hard winter wheat remaining in farmers' hands on March 1 probably were somewhat smaller than on March 1 a year ago. The stocks at terminal elevators were larger, but the visible supply is being reduced at a fairly rapid rate. It is, therefore, likely that the supply of hard winter wheat on hand as of July 1 will be no larger, if as large, as at the beginning of the season. At the present time a better opportunity for exporting the new crop is in prospect. At the beginning of the present season Argentina had a large volume of old wheat to market and now has only a small supply to market in competition with the hard red winter wheat from the United States. Canada also has a smaller supply to market than a year ago.

The forecast of production in the important hard winter wheat producing States as of April 1 and interior stocks as of March 1 are given in detail below. It will be observed that the indicated supply on farms and in interior mills and elevators in the period following March 1 is slightly less than that of the corresponding period a year ago.

The spring wheat acreage of the United States probably will be reduced. The intentions to plant report is not to be taken as a definite forecast of a change in acreage. Since the intentions to plant reports have been issued, farmers have usually made actual changes greater than the expressed intentions, - that is, when they have reported intentions to increase or decrease, they have increased or decreased more than their reported intentions. The reported intention to reduce acreage 3.7 per cent may be followed by a greater or less actual reduction in acreage. Last

year the total spring wheat area, including durum, was estimated at 20,979,000 acres. A reduction of 3 per cent, with yields equal to the average if the past ten years, would result in a crop of about 250 million bushels, compared with 228 millions produced last year. Adding this crop to the winter wheat crop indicated by April 1 conditions, however, would result in a total wheat crop of only about 800 million bushels, compared with 807 millions harvested in the past season.

The carryover of wheat in the United States July 1 may be about as large as on July 1, 1929. The amount of wheat available for export and carryover on April 1 was probably about 280 million bushels, compared with 270 millions on April 1, 1929. In the past four months exports of wheat including flour have averaged about 2 million bushels per week, only slightly more than in the corresponding period of the previous season. There is likely to be some increase in the weekly exports before the end of the season, but it is not believed that the shipments will increase enough to make any material reduction in the carryover. The amount of wheat remaining on hand will depend to some extent, of course, upon the amount utilized for feed. The March 1 reports as to stocks in farmers' hands and in country mills and elevators seemed to indicate that the disappearance for feed had not been large in the first eight months of the season. Reports to Mr. Nat Murray indicate the feeding of only about 30 million bushels, compared with 40 millions in the previous season. The Millers' National Federation under date of March 29 forecasts the carryover at 243 million bushels, compared with 245 millions last year. This estimate is, of course, based upon certain assumptions as to exports, feed, etc. The report of mill stocks as of April 1 will provide additional data for making an estimate of the carryover.

Table 6.- Winter Wheat in the United States

Year of harvest	:Area seeded : : preceding : : fall :	:Percentage : : abandoned :	:Area : : remaining : : for harvest :	:Yield : : per acre :	:Estimated : : crop :
	: 1,000 acres :	: Per cent :	: 1,000 acres :	: Bushels :	: 1,000 bush :
10 year average	:	:	:	:	:
1919-1928	: 44,543 :	: 11.7 :	: 39,372 :	: 14.9 :	: 588,313 :
1923	: 46,091 :	: 14.3 :	: 39,508 :	: 14.5 :	: 571,777 :
1924	: 38,916 :	: 8.4 :	: 35,656 :	: 16.6 :	: 592,259 :
1925	: 39,951 :	: 21.5 :	: 31,346 :	: 12.8 :	: 402,070 :
1926	: 39,867 :	: 7.3 :	: 36,987 :	: 17.0 :	: 627,433 :
1927	: 43,373 :	: 13.0 :	: 37,723 :	: 14.7 :	: 552,747 :
1928	: 47,317 :	: 23.5 :	: 36,213 :	: 16.0 :	: 578,673 :
1929	: 42,820 :	: 6.2 :	: 40,162 :	: 14.4 :	: 578,336 :
1930	: 43,690 :	: (11.6) :	: (38,535) :	: (14.3) :	: 550,300 :

Table 7.--WHEAT: Supply indication in important hard winter producing States, Texas, Oklahoma, Kansas, Nebraska and Colorado

Item	1924-1928	1929	1930
	Million bushels	Million bushels	Million bushels
Crop:			
Tex	21	38	31
Okla	51	44	40
Kans	135	138	144
Nebr	52	54	61
Colo	13	12	14
Total 5 States	272	286	290
Stocks on farms, Mar 1:			
Tex	1	2	2
Okla	4	5	4
Kans	13	28	18
Nebr	8	13	12
Colo	2	3	3
Total 5 States	28	51	39
Stocks of wheat in : interior mills and elevators, March 1:			
Tex	a/ 1	1	2
Okla	a/ 3	3	2
Kans	a/ 6	4	5
Nebr	a/ 2	4	3
Colo	a/ 2	2	2
Total 5 States	a/ 14	14	14
Total supply indicated:...			
Texas	23	41	34
Okla	58	52	46
Kans	154	170	167
Nebr	62	70	75
Colo	17	17	19
Total 5 States	314	351	343

a/ Average 1926-1928.

Table 8.--WHEAT, DOMESTIC: Stocks in store and afloat,
United States markets

Week ended	1928-29	1929-30
	Million bushels	Million bushels
Oct 26	138	203
Nov 30	140	190
Dec 28	144	185
Jan 4	142	182
11	139	179
18	135	175
25	133	171
Feb 1	130	168
8	127	164
15	126	164
22	126	161
Mar 1	126	161
8	127	159
15	126	157
22	125	155
29	125	153
Apr 5	124	^{a/} 150
12	123	
19	120	
26	116	

Compiled from commercial grain stocks in store in principal United States markets, as reported to the market news service of the Bureau of Agricultural Economics.

^{a/} Preliminary.

Report of stocks of all grain at principal markets as of March 29, 1930

Stocks

Visible stocks of all grain decreased in Kansas City, Minneapolis and Buffalo. The decrease was mainly in public elevators in each case. A small increase was reported for public elevators at Duluth with practically no change in either public or private elevator stocks at Chicago.

Elevator space remaining unfilled

Market	Space for 1,000 bushels	Percentage of total Per cent
Chicago.....	19,290	35.8
Kansas City....	2,168	8.0
Minneapolis	16,840	22.6
Duluth	5,761	13.4
Buffalo	9,872	32.9

Receipts

Receipts of wheat at Minneapolis and Chicago were somewhat smaller than during the previous week. Receipts at the other markets were about the same.

The Grain Stabilization Corporation announces an important plan for cooperation with mills. The form of contract as published in the Modern Miller of April 5, 1930 is reproduced hereafter in this issue. The announcement of the plan follows:

"The Grain Stabilization Corporation has placed before the wheat flour milling industry a plan which, it is believed, will be helpful in accomplishing the objective of The Grain Stabilization Corporation and at the same time increase the operations of the mills. Increased operation in turn stimulates the demand for cash wheat, increases the available supply of mill feeds, and to some extent increases the consumption of cotton used in bagging mill products.

"This plan makes available to the Corporation a large amount of mill elevator storage room otherwise idle at this time of the year.

"Mill storage, however, will not be used to such an extent that it will interfere in any way with the movement of new crop wheat, at or after harvest time.

"The Grain Stabilization Corporation.

"Geo. S. Milnor, Vice-president."

This is a very interesting move on the part of the Stabilization Corporation. According to a recent survey of the Census, mills operate about 229 million bushels of storage space. In considering how much wheat this capacity will handle, allowance must be made for working space. Stocks of wheat reported held by mills on January 1 would occupy a little more than one half storage capacity. No data are available to indicate how much additional grain could be stored by mills when the storage on their own account is ordinarily at the peak of the season.

Another interesting point about this provision is the attempt to make the grain more readily available to the miller on a basis that will facilitate grinding for export. The contract deserves careful study on this point.

See page 33 for the form of the contract.

Oriental markets

Oriental markets continue inactive. The total of shipments from surplus producing countries to the Orient during the season to date has been only a little more than one-half as large as in the corresponding period of the previous season. On account of the shorter Canadian crop the United States has contributed a larger share of the supply. The reduction in imports by the Oriental countries has been due in the main to large flour stocks on hand at the beginning of the season and to financial conditions which were unfavorable to importing.

Agricultural Commissioner Nyhus at Shanghai reports little change in the wheat and flour milling situation. More than half the mills are idle, awaiting the new crop wheat which will not be available before May. Weather conditions have been favorable in the Yangtze Valley and prospects for the new crop are considered favorable. The local flour market continues dull due to the poor demand for flour from North China and South China ports. Shanghai flour quotations on the local exchange on April 5 were \$1.19 per forty-nine pound bag for April delivery and \$1.08 for June delivery. Quotations for American and Canadian flour are slightly higher than for Shanghai flour but no contracts are being made.

The flour stocks at Tientsin were reduced during March from about 2 million to 1,650,000 bags, according to Consul General Gauss. Only three mills were operating during March and one or more of these mills are expected to close during April because of a shortage of wheat. Flour arrivals at the port during March were estimated at 700,000 bags, 100,000 greater than the arrivals during February. The flour market was very dull during the first half of the month but sales improved materially during the latter half. Flour prices at Tientsin on March 31 were as follows: American, \$1.30 per 49 pound bag; Canadian, \$1.13; Japanese, \$1.29; Shanghai and Yangtze Valley, \$1.23; and local milled flour, \$1.37 per bag. It is stated that low exchange rates continued to hinder imports of American and Canadian flour.

American Trade Commissioner Ehrhardt at Mukden cables that large stocks of native flour are on hand in Harbin. Many of the mills are not operating and the demand for flour appears to be weak.

The Japanese wheat market continues weak with poor export demand for Japanese flour and above normal mill stocks according to a cable from Consul General Garrels at Tokyo. Wheat imports for February amounted to 700,000 bushels from the United States, 406,000 from Canada and 153,000 bushels from Australia. Prices of foreign wheats at local mills on April 1, including duty and landing charges, were as follows: Western white No. 2, \$1.50 per bushel, Canadian No. 5, \$1.48 and Australian \$1.65 per bushel, compared with \$1.61, \$1.50 and \$1.64 respectively on March 1, while standard grade domestic wheat was selling at \$1.56 or six cents per bushel less than on March 1.

Table 9.--World quantity of wheat and flour on passage and United Kingdom port stocks, by weeks, 1928-1930

Date	1928		1929		1930	
	On	United	On	United	On	United
	passage	Kingdom	passage	Kingdom	passage	Kingdom
	1,000	stocks	1,000	stocks	1,000	stocks
	bushels	bushels	bushels	bushels	bushels	bushels
Jan 7	46,080	7,680	53,160	5,920	28,208	15,200
14	45,096	6,960	57,560	6,640	32,672	14,680
21	48,712	6,400	60,416	6,240	33,272	13,760
28	55,224	6,080	63,024	5,840	35,800	13,200
Feb 4	59,264	6,400	64,768	5,200	37,632	15,120
11	65,520	6,400	71,424	5,600	39,464	14,000
18	72,236	5,600	70,088	3,400	40,720	14,000
25	77,328	5,920	69,944	5,730	39,200	13,016
Mar 4	74,840	6,960	70,032	5,840	36,672	13,600
11	70,782	7,680	73,576	6,000	36,984	13,360
18	68,760	8,160	71,296	6,400	38,496	12,480
25	66,560	8,800	68,838	7,120	35,888	11,600
Apr 1	69,384	9,200	70,936		34,216	

Table 10.--WHEAT, INCLUDING FLOUR: Net imports into European importing countries, 1928-29 and 1929-30

Country	1928-29		Preliminary estimates		Net imports reported	
	1928-29		1929-30		July 1 to	
	1928-29		1929-30		1928-29	
	Million	Million	Million	Million	Million	Million
	bushels	bushels	bushels	bushels	bushels	bushels
United Kingdom	204	200 - 210	Feb 28	132	141	
Italy	90	35 - 45	Mar 31	63	19	
Germany	63	70 - 75	Feb 28	45	51	
France	51	27 - 30	Jan 31	28	26	
Belgium	41	42 - 45	Feb 28	28	29	
Netherlands	29	30 - 33	Feb 28	19	19	
Czechoslovakia	17	15 - 16	Jan 31	11	8	
Greece	22	20 - 25	" 31	11	13	
Irish Free State	13	18 - 19	" 31	10	11	
Austria	15	14 - 17	Feb 28	10	11	
Switzerland	15	16 - 18	" 28	10	12	
Sweden	8	7 - 9	" 28	5	6	
Norway	9	7 - 9	" 28	6	5	
Denmark	17	10 - 12	" 28	10	6	
Finland	6	6 - 7	" 28	4	4	
Poland	4	2 - 6	" 28	3	a/	
Estonia	1	1 - 2	Jan 31	1	1	
Latvia	3	2 - 3	Nov 30	1	1	
Spain	b/(15)	0 - 1	Jan 30	7	0	
Portugal	b/(8)	5 - 6	Feb 28	5	2	
Total	641	522 - 568		409	365	

a/ Less than 500,000 bushels.

b/ Unofficial.

The Continental European wheat market situation during March 1930 a/

Apparently declining prices caused many of the European importing Countries to delay the buying of foreign wheat until toward the end of March. The prospect of a further increase in German duties stimulated some activity on the part of Germany, and the turn in prices was followed by some increase in activity on the part of others.

In some countries prices followed in general the course of prices in Liverpool and Chicago. In Berlin the spread between prices of domestic wheat and prices in Chicago increased, apparently due in part to higher duties. The margin between Paris and Chicago declined in the middle of March, and then increased, whereas in many other markets the margin widened in the middle of the month and then declined as the prices in Chicago increased.

The area sown to wheat in Europe outside of Russia reported to date is slightly less than a year ago. The prospect appears to be for little if any change in wheat acreage. Condition reports are generally favorable. Droughty conditions prevail in parts of Southwestern Europe and unusually high temperatures have caused excessive weed growth in Southern France. Winter killing appears to be moderate and probably not equal to last year.

a/ By Assistant Agricultural Commissioner Owen L. Dawson, Berlin, Germany, March 27, 1930. Supplemented by cables to April 4, 1930.

Table 11.—Price spread per bushel, Chicago - Europe a/

Date	BERLIN		PARIS		GENOA		VIENNA	HUNGARY
	"Markischer"		Domestic		Domestic		"Vienna"	"Tisza"
	wheat	spot	wheat	nearest month	wheat	nearest month	Boden" wheat	79/80 kg wheat
	1928-29	1929-30	1928-29	1929-30	1928-29	1929-30	1929-30	1929-30
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Sept 6	+29.75	+17.69	+53.96	+21.89	+23.41	-13.14	- 5.36	- 5.86
Dec 6	+18.64	+30.91	+47.70	+23.46	+ 6.19	- 6.50	- 2.64	+ 3.38
Jan 10	+17.64	+31.14	+48.04	+21.15	+13.54	+ 1.43	- 5.50	+ 0.09
Jan 31	+15.84	+39.70	+44.00	+26.15	+ 8.54	+ 9.48	- 0.85	+ 8.75
Feb 21	+12.63	+39.42	+41.50	+28.90	+ 2.47	+ 7.63	+15.49	+23.17
Feb 28	+18.79	+38.82	+45.52	+32.40	+ 8.33	+ 3.95	+12.61	+20.30
Mar 11	+20.94	+44.68	+46.52	+36.35	+ 6.30	+ 5.16	+15.86	+21.66
Mar 20	+22.36	+53.50	+46.22	+35.42	+10.13	+ 3.62	+14.71	+17.66
Apr 2	+24.00	+60.00	+49.00	+33.00	+10.00	+ 4.00	+13.00	+15.00

a/ Above (+) or below (-) Chicago.

b/ March 28.

During March a temporary rise in port stocks up to the middle of the month was followed by a considerable decline later, probably due to heavy German drawings upon spot supplies in Hamburg, Antwerp and Rotterdam, because of prospective increased duty rates.

Table 12.-- Wheat stocks at certain European points

Date	Antwerp	Rotterdam	Hamburg	Berlin	Hungarian warehouses
	1,000	1,000	1,000	1,000	1,000
1929-30	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
Oct 31	3,800	2,800	---	700	4,800
Jan 15	1,500	1,300	900	700	4,200
Jan 31	880	1,200	900	880	4,000
Feb 15	580	1,300	1,700		3,700
Feb 28	960	1,400		1,000	3,500
Mar 15	2,000	1,500			3,000
Mar 25		600			2,800
Mar 31		400	1,100		

Restricted importation and slower buying activity on the Continent up to this date makes it appear that consumption of wheat this season will fall short of last year and will make the continental net deficit to be covered from outside of Europe, including Russia, about 29 per cent smaller than it was last season. The reduced consumption of wheat this year is due chiefly to higher wheat prices in relation to other grains. This has resulted in the heavy substitution of corn for wheat in human consumption in southern and southeastern regions. There has been a decreased use of wheat for feeding purposes because of the relatively high prices of wheat compared with other feedstuffs and because of the generally good quality of the domestic 1929 wheat crop. A decreased use of wheat in favor of rye for human consumption has also been a factor in the situation, but not of great importance up to this time. It is also thought that the unusually warm winter has had an important effect in the reducing of the demand for grain for livestock feeding and to some extent for bread consumption. The continental deficit according to our new estimate, will be 279,000,000 bushels in 1929-30, compared with 384,000,000 bushels actually imported from outside of Europe in 1928-29.

Continental wheat imports from July 1 to about February 15 averaged only 4,960,000 bushels per week, as compared with 7,200,000 bushels last season. If the estimated deficit of 279,000,000 bushels is to be covered weekly imports from February 15 to June 30 will have to average 6,000,000 bushels as compared with over 8,000,000 bushels last season. Overseas shipments to the Continent to date have continued small so that the increase in imports during the latter part of the season will need to be large, if the indicated deficit is to be covered. However, imports during the current weeks may have been higher than may seem indicated by shipments to the Continent as the deficit countries seem to have drawn from port stocks previously accumulated, as well as from shipments to order.

The following comparison shows the weekly average of continental net imports by various periods this year and last year, and from now on under the assumption of a deficit of 7,570,000 tons:

Average net imports into the Continent of Europe,
by weeks, 1928-29 and 1929-30

Season	Estimate July 1- June 30	July 1- Nov 15	Nov 15- Dec 15	Dec 15- Jan 15	Jan 15- Feb 15	Estimate Feb 15- June 30
	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>
1928-29	7,496	6,614	11,758	7,716	4,997	8,010
1929-30	5,365	5,107	3,785	6,430	4,005	5,989

However, it is to be noted that imports during the second half of February and March were doubtless below the 5,879,000 bushels estimated as weekly average imports from February 15 to June 30, so that April, May and June imports will need to be higher to reach our present estimate of imports for this year. Much, of course, will also depend upon developments in the crop outlook and resultant price movements. Should the crop outlook assume an unfavorable turn, it is easily possible that imports will be higher than estimated. Should the outlook continue favorable, however, the conservative estimate of imports to the end of the season may even be too high.

Prospects for 1930 continental winter grain crops

Reports on the conditions of continental winter grain crops at the present time have a rather favorable note, but it is yet early in the season and questionable whether conditions are really as good as they were a year ago. From preliminary reports winter kill for the Continent does not appear to be large. Moisture in important Central European countries was below normal during the winter months but this has to some extent been offset by recent rains. However, in some parts of southwestern Europe drought conditions have continued and rains are badly needed, particularly in eastern Rumania, including Bessarabia. Moisture is necessary both for winter grains and for spring planting. Winter kill in the Danube Basin seems to have been above average in parts of the eastern section, but not as heavy as a year ago so far as it can be seen at the present time.

Reports on conditions in France vary. Precipitation was heavy during the winter with some flood damage in places. The most unfavorable feature of the situation was the unusually high temperatures during the winter months which gave rise to complaints of excessive weed growth in places and some infestation of field pests. Italy has reported good conditions of winter seedings. Spring sowing is in full swing in southern, western, eastern and most of Central Europe and sowing conditions are reported favorable except for parts of Rumania, where drought is a handicap. Reports as to the probable wheat area to be sown on the Continent in 1929-30 are only partially available. Data on winter wheat acreage indicates somewhat smaller sowings in Rumania, Italy and France, with some increases in Bulgaria, Lithuania and Finland.

Feed grain markets

Conditions in the feed grain markets continue to exert an unfavorable influence upon the demand for bread grains. Favorable reports on the Argentine corn crop have had a weakening influence on the grain markets. Danubian shipments of barley and corn have recently shown an increase. The anticipation of an increase in the German barley duty and the establishment of a corn monopoly has influenced the comparatively large shipments to Germany in the past two weeks. The measures which have just been taken will restrict German imports greatly in the future. The outlook for feed grains for the immediate future is not favorable and as corn is quite important as human food in southern Europe, the depression in feed grains will continue to have an unfavorable influence on the wheat situation during succeeding weeks.

Germany

German wheat markets during the first part of March were quiet, but witnessed considerable pick-up during the latter part of the month owing largely to an increased demand for foreign wheat which was attributed to the expectancy of new duties. Wheat prices showed an increase during the month, in the face of a declining tendency overseas. The chief reason for the firmer tone of domestic prices was the anticipation of another duty rise following the one in February. Domestic offers of wheat were also small while the compulsory 50 per cent milling requirement continued in force. Wheat stocks on farms decreased only slightly between January 15 and February 15. This drop in stocks is very small compared with the change during last year for the same period, which gives rise to some doubt as to whether the farm stocks reported this year are fully representative of the actual situation.

The situation in the German rye market continued unfavorable during March. Prices showed a sharp drop, which was effected largely by the forced discontinuance of purchases by the Getreide-Handelsgesellschaft. According to newspaper reports the money appropriated by the Government for the purpose of purchasing rye has already been spent. Quantities bought under this arrangement are estimated at about 20,000,000 bushels. Considering that the farm and trade stocks are also large, the rye outlook is still very unfavorable. Recently rye prices showed some improvement in anticipation of Government relief measures.

Table 13.--GERMANY: Price per bushel of domestic wheat and rye, February 12 - April 2, 1930

Date	Wheat			Rye
	Hamburg <u>a/</u>	Breslau <u>b/</u>	Berlin <u>c/</u>	Berlin <u>d/</u>
	Cents	Cents	Cents	Cents
Feb 12	165	150	155	97
19	161	147	151	97
26	158	144	147	97
Mar 5	156	147	151	97
12	159	148	151	86
19	161	154	157	89
26	170	158	160	86
Apr 2	178	167	171	100

a/ Wheat of any German district of at least 58.7 pounds per Winchester bushel.

b/ Wheat of any German district in carloads of 370 bushels of at least 58.7 pounds per Winchester bushel.

c/ "Markischer" wheat of 59-60 pounds per Winchester bushel.

d/ "Markischer" rye of at least 56 pounds per Winchester bushel.

Wheat imports in February were much smaller than in January but are expected to show an increase in March, because of large imports prior to the imposition of the new duties. Net imports of wheat and wheat flour amounted to 5,935,000 bushels in February, as compared with 10,185,000 bushels during January. Exports of wheat continued to decline in February.

Visible wheat stocks in Berlin increased in February owing to comparatively heavy arrivals. This increase in stocks was largely caused by the movement of foreign grain imported before February 11, when the previous duty increase became effective. Visible stocks in Berlin were more than twice as large on February 28 as on the same date in 1929.

Stocks of wheat on German farms continue less than a year ago, but registered only a small decrease for the month. The grain stocks reports indicate a small disappearance of wheat and rye on farms from January 15 to February 15, if the figures for the two years are strictly comparable. The decrease of the total wheat stocks was 9,500,000 bushels from January 15 to February 15, as compared with 19,700,000 bushels in the same period last year. The corresponding figures for rye are 22,200,000 and 31,700,000 bushels. From the above figures it appears that important quantities still available for sale remain. It now seems that the net import wheat and wheat flour during the campaign 1929-30 will amount to about 70,000,000 bushels, which is very close to the same figure as a year ago. The domestic wheat crop for 1929 is reported about 18,500,000 bushels smaller than last year, which, allowing for differences in carryover, would still mean a considerable decrease in consumption compared with last year. This decrease in consumption can be accounted for by a heavy decrease in feeding of wheat and some decrease in human consumption. The quantity needed for feeding purposes is expected

to be about 7,000,000 bushels smaller than last year, due to the comparatively high price level for wheat compared with other grains, principally rye, and the good quality of the 1929 wheat crop. A recent investigation by the Deutscher Landwirtschaftsrat (German Agricultural Council) covering the period 1924-25 to 1927-28 shows that the quantities of wheat fed have varied during different years from 6,600,000 to 14,000,000 bushels as a result of changing price relationships and different qualities of crops. The three raises in duties this year will undoubtedly be reflected in some decreased takings of foreign wheat. It is also true that stocks of foreign wheat were rather heavy at the beginning of the campaign. The effect of the more favorable rye prices, together with the campaign to increase consumption of rye, is a minor factor in decreasing the human consumption of wheat. It is thought that the season itself has not been so favorable to the consumption of wheat as last year. If our estimate of 70,000,000 bushels holds true, the average monthly requirements will be about 4,600,000 bushels during the remainder of the campaign. This is a smaller average taking than has existed for a number of years. Actual imports will be dependent to an unusual degree on crop prospects from now on. If crops continue to develop favorably, buyers will be reluctant to make large commitments. On the other hand, unfavorable crop reports will act to stimulate demand and in this case our estimate may be exceeded.

Several new emergency measures have recently been taken by the German parliament to afford relief in the German rye situation. Experience has shown that an increase of rye duties has little effect on the rye situation, therefore other measures have been devised. The principal feature of these measures is to force a shift from the use of other grains to rye. The maximum duties provided for in the tariff law became effective March 27. The tariff on barley was raised from \$0.26 to \$0.52 per bushel with the provision that farmers who have fed a certain quantity of rye will have the right to receive a certain quantity of barley on the basis of a reduced duty. As it is not possible to raise the corn duty of \$0.15 per bushel, because of the trade treaty with Yugoslavia, a corn monopoly will be established to restrict imports of corn. The tariff on wheat was increased from \$0.62 to \$0.78 per bushel. This is expected to raise the price of wheat. All of these measures which restrict the imports of other grains are designed to cause a shift toward rye. It is hoped that the acreage of rye can be reduced with an increase in wheat production. Because of the fact that wheat can be substituted only to a limited extent on the land where rye is now being raised, the shift in acreage possible can result in but a moderate increase in wheat production, so that Germany will still be on an import basis.

The present tariff rates on wheat, rye and barley are emergency rates which will become effective on March 27, but will automatically be out of force on December 31, 1930. The tariff rates mentioned above are sliding rates and will be reduced when prices pass a certain level, but according to the new provision the duty of \$0.78 per bushel for wheat will be in force during the remainder of the campaign.

It is still very early to make a definite report on the condition of winter sowings. Winter-kill, however, seems to be comparatively small. Winter precipitation was below average, but recent rainfall and temperature have been favorable. Weather conditions in April and May will be much more important, however, than conditions up to this time.

France

Wheat prices in France, which showed a downward tendency during several weeks following the first of the year, registered a rise during March with some falling off at the close. This firmer tendency during the first half of the month may have been due to talk about new government relief measures and restricted farm deliveries during the period. The French Senate has approved an appropriation of nearly \$12,000,000 for the support of the wheat market. The measure provides for an appropriation of approximately \$4,000,000 to permit an additional exportation of about 7,000,000 bushels of wheat in addition to the 7,000,000 bushels provided for in the law of December 1 and which appears to have moved out of the country although not yet confirmed by official statistics. A credit of \$8,000,000 is granted for the establishment of government emergency stocks at various centers. During the latter part of the month farm offers were more liberal. Stocks on small size farms may not be large, but on the larger size farms must be considerable. Trade estimates of the crop are still around 370,000,000 bushels, but we still consider them considerably high. It is generally believed, however, that France will have only small import requirements for the remainder of the campaign. Exports of French wheat in January were smaller than expected, according to official figures, which show only 1,323,000 bushels. Undoubtedly some quantities of French wheat will be shipped out of the country during the remainder of the campaign.

Conditions of winter sowings vary. Winter-kill was apparently moderate but many complaints are heard about excessive weed growth, which may impair the development of the crop later in the season, unless very favorable conditions occur. The damage caused by recent floods now appears rather small, being estimated as causing a loss of about 650,000 bushels of wheat.

Italy

Imports of foreign wheat into Italy for March still appear rather small. Indications now are that the total imports for 1929-30 will be about 37 million bushels. The drop in the demand for wheat this year is due to a large extent to the more favorable prices of other grains for consumption. In spite of an unusually large corn crop considerable amounts of corn were imported. Domestic stocks of wheat cannot be large at the present time, although offers seem to be free on demand, owing to the relatively more favorable cash returns for wheat than for other grains which the farmer has to sell. The actual imports of wheat from July 1929 to March 31, 1930 amounted to 19,000,000 bushels as compared with 63,000,000 bushels in the corresponding period of 1928-29. If crop reports should take an unfavorable turn, it is possible for Italy's imports to run above our estimate, as takings during the closing months of other years have been heavy, but with the continuance of present conditions our estimate seems fully high enough. Crop conditions have recently been reported to be favorable, with an acreage of winter wheat near that of last year.

Netherlands and Belgium

Demand in these countries was restricted the first part of March and prices weakened in line with overseas. During the latter part of the month, however, business experienced some revival. German mills were again active buyers and showed much interest for spot wheat. The anticipation of the increase in German wheat tariffs was the active stimulant in the market. There was also some interest from Dutch and Belgium flour mills. Port stocks at Rotterdam and Antwerp increased some early in March, but fell off again later in the month, due to the increased movement of grain to Germany. The latest figures for Antwerp are for March 15, but it is thought that stocks in that port were also greatly reduced during the latter part of the month.

Danube Basin

Conditions were rather quiet in the Danubian countries. Czechoslovakia and Austria reported for the most part very unsatisfactory flour sales with resultant lack of flour mill demand for wheat. Protection measures to grain growers in Austria and Czechoslovakia are being discussed and may tend to affect the market temporarily. Reports from the surplus regions, considering Hungary and Yugoslavia alone, also indicate quiet business, though there has been temporary export activity in Hungary. Some uncertainty exists as to wheat remaining for export. According to previous figures on supplies and shipments it would appear that the surplus is exhausted, on the other hand some export business is still underway. It has been reported that wheat from Budapest warehouses was sold back to the villages and that prices paid for Yugoslavian wheat within the country are surprisingly high in relation to export bids, which would indicate a shortage of domestic wheat in this country. Because of large exports to date and allowing for a small amount still to move from these countries, it appears that Hungary and Yugoslavia together will export in 1930 about 45,000,000 bushels, or somewhat in excess of earlier estimates.

Wheat prices in the Danube Basin were downward during March. Viennese wheat declined from 123.24 cents on March 7, to 121.33 cents on March 21. Hungarian wheat fell from 129.04 to 124.24 cents. As the decline in America was less, Danubian wheat became relatively cheaper in comparison to American as the following table of price-spreads indicates.

Price-spread per bushel

Hungarian Tisza Wheat, 79/80 kg., spot, above (+) or below (-) Chicago Futures, nearest month; 1929-30

<u>Cents</u>		<u>Cents</u>	
Sept 6	- 5.86	Jan 31	+ 8.75
Oct 4	-10.70	Feb 21	+23.17
Nov 6	+ 3.50	" 28	+20.30
Dec 6	+ 3.38	Mar 7	+21.66
Jan 10	+ 0.09	" 21	+17.62

Stocks of wheat in Hungarian public and cooperative warehouses are steadily declining, and at a faster rate than heretofore. There were available (1,000 bushels of wheat):

<u>Date</u>	<u>1,000 bushels</u>	<u>Date</u>	<u>1,000 bushels</u>
Sept 1	2,400	Jan 31	4,000
Nov 4	4,800	Feb 15	3,700
Dec 2	4,700	" 22	3,600
Jan 13	4,200	Mar 10	3,300
" 20	4,150	" 17	3,000
		" 24	2,800

Shipments of wheat down the Danube showed a slight rise during the four weeks ended March 13, as a result of improved navigation conditions (water level).

Table 14.--Danube shipments to Europe a/

<u>Four week period</u>	<u>b/</u>	<u>1924-25</u>	<u>1925-26</u>	<u>1926-27</u>	<u>1927-28</u>	<u>1928-29</u>	<u>1929-30</u>
		<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
		<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
Aug 1-29		1,029	367	808	294	73	698
Aug 30-Sept 26		294	845	845	1,323	257	3,013
Sept 27-Oct 24		294	772	1,580	808	588	3,821
Oct 25-Nov 21		110	220	1,800	331	625	3,160
Nov 22-Dec 19		73	441	478	404	184	3,160
Dec 20-Jan 16		37	919	551	147	184	808
Jan 17-Feb 13		37	882	404	110	0	478
Feb 14-Mar 13		0	955	184	147	110	661
Since Aug 1		1,874	5,401	6,650	3,564	2,021	15,799

a/ Shipments down the Danube. b/ For 1929. Other years, nearest comparable data.

Poland

Polish wheat and rye prices have tended downward in March with the decline especially pronounced in the case of rye. The German-Polish rye export agreement and the newly established joint syndicate have had little influence on the rye market. Farm stocks of rye remain large and stocks of wheat are also considered important. Government relief measures are under preparation. Plans are being made to prolong the export premium system which, according to the original order, would go out of force on April 15. There are also plans to regulate the market through the use of Government funds.

Preliminary reports do not indicate heavy winter-kill and condition of winter sowings is reported good on an increased acreage. Wheat shows an increase of 2.6 per cent and rye 0.6 per cent.

Soviet Russia

Significant amounts of barley were exported during early March, but only negligible quantities of wheat. Total Russian shipments since the beginning of the campaign up to March 19, from the southern Russian ports amounted to 644,000 short tons, divided as follows:

	<u>1,000 bushels</u>
Barley	21,500
Wheat	2,300
Corn	7,900
Rye	9,800
Oats	5,500

The spring sowing campaign in Soviet Russia is well underway seeding having commenced in the first week of March in the extreme south and progressed northwards. Sowing material collections as of March 1 were up to the plan but varied considerably in different regions which is a somewhat unfavorable factor in the situation. The plan was considerably surpassed in Ukraine (160 per cent) while in some regions of the RSFSR, particularly Kazakhstan, but also Bashkeeria, Lower Volga, Crimea, North Caucasus and some minor autonomous republics report collections below the figure of 89 per cent given for the whole of RSFSR. This discrepancy is more unfavorable than would appear at first because of the poor condition of Russian railroads, upon which an additional and in no way welcome burden is thus placed. It has previously been noted that at the present stage of collectivization, the execution of the seed material collection plan does not necessarily mean the covering of actual requirements because the plan did not foresee the rapid rate of collectivization. A statement of the Special Sowing Committee of the Commissariat of Agriculture of the USSR confirms this point and the continuance of collections is ordered in regions which have already surpassed their plans. It is stated, that although the plans in different regions were surpassed by around 50 per cent, the covering of actual requirements of these regions at present amount to only 92-98 per cent.

Probably in consequence of this consideration and also because some regions suffered from a poor crop last year and are unable to execute the maximum increase of acreage without outside help, the Government has recently stipulated that an additional quantity of 6,000,000 bushels be granted these regions a/. This appears to indicate that the seed collections of wheat have been less satisfactory than those of other crops, or it may also indicate the desire of the Government to increase the acreage of wheat to the greatest extent.

A recent stipulation of the Commissar of Agriculture of USSR indicates that this year's spring acreage is to increase by 15 per cent as compared with previous year, while the previous plan asked for an increase of 11 per cent. It is quite evident that great difficulties attend the carrying out of any such plan as such a large increase would be difficult at any time and will prove much more so under present conditions when the Government is confronted a/ In addition to the previously granted 8,700,000 bushels.

by so many new problems. The increase in the total spring acreage is only possible if, along with the increase of the acreage of collective farms, at least a small increase of the sowings of individual peasants takes place. The Soviet press, therefore, after having ignored the "individual sector" of Russian agriculture for some time past, has now started to pay more attention to this field. The statement has been made that inasmuch as about 50 per cent of all spring sown acreage will still be by individual peasants this year, no slackening of efforts to make the individual peasant take his part can be permitted. Recent reports, however, complain that insufficient attention is being paid to the individual farms.

Table 15.--Estimate of continental wheat and flour
movements from overseas

Item	1928-29	1929-30
	1,000	1,000
	<u>bushels</u>	<u>bushels</u>
Continental deficit	390,545	278,147
Net imports of deficit countries		
7½ months	253,896	202,125
Estimated share of Danube	23,479	43,578
Net imports minus share of Danube	230,417	158,547
Estimated net imports of deficit countries		
4½ months, ending June 30	169,901	121,217
Estimated share of Danube	9,773	1,617
Net imports minus share of Danube	160,128	119,600

Table 16. - WHEAT: Balances, season July 1 to June 30,
1928-29 and 1929-30

Country and item	1928-29	1929-30
	1,000 bushels	1,000 bushels
<u>GERMANY</u>		
Production	141,593	123,073
Net imports:		
July - Feb	44,684	50,766
Mar - June	23,814	
Apparent utilization	210,091	
<u>ITALY</u>		
Production	228,596	260,669
Net imports:		
July - March	63,394	19,000
Apr - June	26,350	
Apparent utilization	318,340	
<u>FRANCE</u>		
Production	231,285	319,863
Net imports:		
July - Jan	27,953	26,000
Feb - June	24,130	
Apparent utilization	333,373	
<u>BELGIUM</u>		
Production	17,986	15,995
Net imports:		
July - Feb	27,613	29,000
Mar - June	13,752	
Apparent utilization	59,351	
<u>NETHERLANDS</u>		
Production	7,336	4,656
Net imports:		
July - Feb	19,373	19,260
Mar - June	9,447	
Apparent utilization	36,156	
<u>CZECHOSLOVAKIA</u>		
Production	51,499	48,065
Net imports:		
July - Jan	11,429	8,000
Feb - June	5,764	
Apparent utilization	68,692	

Continued -

WH-48 Table 16. - WHEAT: Balances, season July 1 to June 30,
1928-29 and 1929-30 - Contd

Country and item	1928-29	1929-30
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
<u>SWITZERLAND</u>		
Production	4,270	a/ 5,791
Net imports:		
July - Feb	9,851	12,037
Mar - June	5,644	
Apparent utilization	19,765	
<u>GREECE</u>		
Production	13,085	8,481
Net imports:		
July - Jan.	11,352	12,581
Feb - June	10,791	
Apparent utilization	35,228	
<u>DENMARK</u>		
Production	12,214	11,758
Net imports:		
July - Feb.	9,607	6,000
Mar - June	7,437	
Apparent utilization	29,258	
<u>POLAND</u>		
Production	59,219	60,259
Net imports:		
July - Jan.	3,192	194
Feb - June	567	
Apparent utilization	62,978	
<u>SWEDEN</u>		
Production	19,155	18,724
Net imports:		
July - Feb	4,968	5,696
Mar - June	2,585	
Apparent utilization	26,708	
<u>FINLAND</u>		
Production	998	1,035
Net imports:		
July - Feb.	4,188	3,845
Mar - June	1,907	
Apparent utilization	7,093	
<u>LATVIA</u>		
Production	2,499	2,336
Net imports:		
July - Nov.	1,249	1,249
Dec - June	1,543	
Apparent utilization	5,291	

a/ Includes spelt.

Estonia's foreign trade in cereals and flour, 1928 and 1929

The imports of grain and flour into Estonia during the calendar years 1928 and 1929 reached new high levels as a result of the failure of the domestic harvest in 1928, according to a report received from Consul H. E. Carlson, Tallinn, Estonia. The 1929 harvest was exceptionally good and it seems quite certain that imports during 1930 will decline to the customary level. The total imports of grain and flour during 1928 were 115,000 short tons and during 1929 were 138,000 short tons as compared with only 66,000 short tons in 1927 and an average of 86,000 short tons during the years, 1925-1927. Rye occupies the first place among Estonia's imports of cereals. Rye is also the most important grain produced in Estonia, rye bread being the staple food of the people. Comparing the amounts of rye imported from the various countries of origin, it appears that both in 1928 and 1929 about 60 per cent of the total imports were from Germany. The share of the United States in 1928 amounted to 666,000 bushels or about 35 per cent of the total imports of 1,958,000 bushels. In 1929, however, this figure declined to 141,000 bushels, or only 6 per cent of the total 2,505,000 bushels imported. It is believed, however, that a considerable quantity listed as arriving from Germany in both 1928 and 1929 was of American origin.

A certain amount of wheat is grown in Estonia but the country cannot be regarded as a wheat growing country and practically all its wheat requirements are imported, which explains why the imports of this cereal remained on practically the same level in 1928 and 1929. In 1928 the United States supplied 658,000 bushels or 80 per cent of the total wheat imports but in 1929 United States supplied only 432,000 bushels or 48 per cent of the total. England ranks first in the Estonian flour trade due to her proximity and her ability to supply the characteristic small lot trade of Estonia with expediency. There are no imports of rye flour into Estonia as the local mills are fully equipped to supply the domestic market.

The imports of wheat and rye into Estonia during 1928 and 1929 are shown in the following table:

Country of origin	Rye		Wheat	
	1928	1929	1928	1929
	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels
United States	666	141	658	432
Argentina	a/	44		
Australia	a/	a/	60	124
Germany	1,146	1,669	58	211
Russia	31	a/	13	a/
Poland	44	649	10	a/
Canada	54	a/	a/	99
All others	17	2	11	32
Total	1,958	2,505	810	898

a/ Not shown separately.

Table 17.--Receipts of inspected wheat, all inspection points,
by classes, July-January, 1928 and 1929

Month:	Hard red spring	Durum	Hard red winter	Soft red winter	White	Mixed	Total
	Cars	Cars	Cars	Cars	Cars	Cars	Cars
1928							
July	4,120:	980:	91,490:	8,732:	2,158:	4,433:	111,913
Aug	9,165:	2,531:	64,482:	9,225:	5,229:	6,324:	96,956
Sept	27,767:	12,746:	29,808:	3,099:	4,891:	9,987:	88,298
Oct	36,062:	12,459:	26,068:	2,516:	4,533:	8,589:	90,227
Nov	25,349:	6,301:	17,459:	1,195:	1,669:	4,482:	56,455
Dec	16,314:	4,170:	19,270:	1,547:	2,554:	3,463:	47,318
Jan	8,936:	2,259:	15,732:	980:	1,972:	2,123:	32,002
Feb	8,189:	2,885:	20,341:	1,180:	2,057:	2,683:	37,335
Total:							
July-	135,902:	44,331:	284,650:	28,474:	25,063:	42,084:	560,504
Feb							
Total:							
in	176,672,600:	57,630,300:	370,045,000:	37,016,200:	32,581,900:	54,709,200:	728,655,200
bush							
1929							
July	9,361:	2,246:	126,937:	14,302:	3,012:	5,197:	161,055
Aug	14,621:	3,833:	73,057:	12,482:	6,080:	7,520:	117,593
Sept	19,260:	3,871:	26,444:	3,261:	4,725:	5,702:	63,263
Oct	12,062:	2,817:	20,741:	1,879:	2,446:	4,305:	44,250
Nov	6,345:	1,600:	11,676:	1,540:	1,762:	2,073:	24,996
Dec	6,282:	1,885:	16,977:	1,750:	2,280:	2,297:	31,471
Jan	3,689:	1,344:	12,263:	1,238:	1,881:	2,047:	22,662
Feb	6,675:	1,937:	13,028:	1,515:	2,102:	2,096:	27,453
Total:							
July-	78,495:	19,583:	301,123:	37,967:	24,288:	31,237:	492,693
Feb							
Total:							
in	102,043,500:	25,457,900:	391,459,900:	49,357,100:	31,574,400:	40,608,100:	640,500,900
bush							

Table 18.--UNITED STATES: Exports of wheat, and wheat including flour, by weeks 1929 and 1930

Week ended	Wheat		Wheat including flour	
	1929	1930	1929	1930
	<u>1,000 bushels</u>	<u>1,000 bushels</u>	<u>1,000 bushels</u>	<u>1,000 bushels</u>
Jan 4	976	1,996	1,878	2,635
11	420	1,382	1,553	2,656
18	506	1,578	1,535	2,513
25	260	1,001	1,021	1,786
Feb 1	975	1,593	1,783	2,970
8	896	2,380	2,024	2,775
15	212	1,422	1,895	2,136
22	582	373	1,404	1,111
Mar 1	785	734	2,444	1,848
8	824	224	1,600	873
15	590	371	1,878	968
22	471	913	1,754	2,088
29	932	357	2,168	1,363
Apr 5	274	842	1,430	1,538
Total.....	8,703	15,166	24,367	27,260

Weekly report of the Department of Commerce.

Table 19. - WHEAT, INCLUDING FLOUR: Exports from the United States, by countries, July-February 1928-29 and 1929-30

Country to which exported	Wheat, incl. flour :		Wheat :		Wheat flour	
	July-Feb :		Feb :		Feb :	
	1928-29 :	1929-30 :	1929 :	1930 :	1929 :	1930 :
	1,000 :	1,000 :	1,000 :	1,000 :	1,000 :	1,000 :
	bushels :	bushels :	bushels :	bushels :	barrels :	barrels :
United Kingdom	13,967 :	25,309 :	636 :	1,933 :	74 :	116 :
Irish Free State	2,931 :	2,886 :	299 :	299 :	3 :	15 :
Netherlands	8,308 :	6,826 :	0 :	124 :	71 :	56 :
Italy	4,910 :	628 :	24 :	38 :	2 :	3 :
Greece	3,689 :	6,831 :	287 :	322 :	5 :	2 :
Belgium	2,334 :	4,944 :	84 :	235 :	1 :	1 :
Germany	2,267 :	5,581 :	102 :	224 :	24 :	38 :
France	2,093 :	1,787 :	249 :	60 :	a/ :	1 :
Denmark	1,592 :	2,008 :	12 :	83 :	23 :	37 :
Finland	1,266 :	1,007 :	0 :	0 :	12 :	16 :
Gibraltar	1,157 :	1 :	0 :	0 :	a/ :	0 :
Norway	774 :	1,196 :	0 :	0 :	19 :	38 :
Sweden	442 :	556 :	0 :	0 :	10 :	3 :
Malta, Gozo and Cyprus :	141 :	310 :	0 :	0 :	6 :	2 :
Other Europe	3,724 :	1,819 :	288 :	242 :	13 :	8 :
Total Europe	49,595 :	61,689 :	1,981 :	3,560 :	263 :	336 :
Canada	30,779 :	12,513 :	206 :	5 :	10 :	6 :
Panama	3,893 :	4,599 :	174 :	287 :	9 :	11 :
Cuba	3,736 :	3,814 :	3 :	2 :	96 :	92 :
Mexico	1,847 :	2,072 :	283 :	185 :	11 :	5 :
Haiti, Republic of	1,490 :	674 :	0 :	0 :	25 :	17 :
Brazil	2,680 :	2,192 :	a/ :	0 :	85 :	55 :
Peru	1,199 :	268 :	38 :	0 :	7 :	6 :
Colombia	763 :	619 :	32 :	21 :	10 :	7 :
Japan	3,676 :	7,958 :	358 :	1,098 :	a/ :	9 :
China	4,690 :	2,229 :	68 :	20 :	256 :	41 :
Hongkong	3,175 :	2,773 :	1 :	4 :	78 :	61 :
Kwantung	1,308 :	3,839 :	0 :	0 :	103 :	30 :
Philippine Islands	2,532 :	2,325 :	0 :	0 :	50 :	63 :
Other countries	8,952 :	8,238 :	70 :	3 :	217 :	186 :
Total exports	120,315 :	115,802 :	3,214 :	5,185 :	1,220 :	925 :
Total imports	15,905 :	6,820 :	1,765 :	1,674 :	a/ :	a/ :
Total reexports	20 :	52 :	0 :	0 :	0 :	1 :
Net exports	104,430 :	109,034 :	1,449 :	3,511 :	1,220 :	926 :

Compiled from official records of the Bureau of Foreign and Domestic Commerce.
a/ Less than 500.

Table 20.--WHEAT INCLUDING FLOUR: Shipments from principal exporting countries

Country	Total shipments or exports		Shipments, week ended			Net movement from July to and includ- ing Apr 5	
	1927-28	1928-29	Mar 22	Mar 29	Apr 5	1928-29	1929-30
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels	bushels
North America <u>b/</u> ...	452,423	499,942	3,602	5,870	5,586	406,444	226,657
Canada & markets <u>c/</u> ...	333,335	458,649	1,958	1,604	1,506	379,385	139,936
United States.....	206,259	163,687	2,088	1,363	1,538	111,917	113,682
Argentina.....	178,135	216,722	1,516	2,381	3,104	151,076	138,233
Australia.....	72,962	107,937	1,244	1,696	1,696	84,862	48,376
Russia.....	5,408	8	0	224	512	8	3,056
Danube & Bulgaria <u>d/</u> ...	32,847	33,842	360	376	88	2,224	17,224
British India.....	15,668	<u>e/</u> -21,729	0	0	0	<u>e/</u> -16,592	<u>e/</u> -1,119
Total <u>f/</u>	757,443	836,722	6,722	10,547	10,980	628,022	432,427

Compiled from official and trade sources.

a/ Preliminary.b/ Bradstreet's, week ending Thursday, including flour converted at 4.5 bushels per barrel.c/ Fort William, Fort Arthur, Vancouver and Prince Rupert.d/ Hungary, Yugoslavia, Rumania and Bulgaria.e/ Net imports.f/ Total of trade figures, including North America as reported by Bradstreet's.

Table 21.--WHEAT INCLUDING FLOUR: Exports from principal exporting countries, January, February and March, 1929 and 1930

Country	Jan		Feb		Mar	
	1929	1930	1929	1930	1929	1930 <u>a/</u>
	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels
United States.....	9,833	14,073	8,948	9,535	9,405	5,292
Canada.....	25,032	7,257	19,710	8,895	27,565	<u>b/</u> 6,569
Argentina.....	22,607	<u>a/</u> 13,356	27,541	<u>a/</u> 11,384	29,861	8,869
British India.....	<u>c/</u> -6,559	<u>a/</u> 0	<u>c/</u> -5,182	<u>a/</u> 0	<u>c/</u> -3,875	0
Australia.....	18,594	<u>a/</u> 8,972	16,564	<u>a/</u> 7,972	16,023	6,728
Russia <u>a/</u>	0	253	0	1,928	0	360
Danube & Bulgaria <u>a/</u> ...	168	880	0	384	160	1,328
Total.....	69,675	44,794	67,581	40,098	79,139	29,146

Compiled from official and trade sources.

a/ Preliminary.b/ Shipments from Fort William, Fort Arthur, Vancouver and Prince Rupert.c/ Net imports.

Table 22.--WINTER WHEAT AND RYE: Acreage, average 1909-1913, annual 1927-1930

Crop and countries reported in 1930 ^{a/}	Average 1909-1913	1927	1928	1929	1930	Percentage 1930 is of 1929
	1,000	1,000	1,000	1,000	1,000	
WHEAT	acres	acres	acres	acres	acres	Per cent
United States..... ^{b/}	32,702	43,373	47,317	42,820	43,690	102.0
Canada..... ^{b/}	1,019	979	1,033	885	809	91.4
Europe, 7 countries previously reported...	43,786	37,720	38,727	38,270	37,953	99.2
Spain.....	9,547	10,826	10,479	10,478	10,531	100.5
Total Europe (8)....	53,333	48,546	49,206	48,748	48,484	99.5
North Africa (3).....	6,531	7,017	7,987	7,857	7,971	101.5
India ^{c/}	29,224	31,184	31,332	31,159	29,871	95.9
Syria and Lebanon.....	900	1,224	1,024	899	1,057	117.6
Total, 15 countries :	123,709	132,323	137,899	132,368	131,882	99.6
RYE						
United States.....	2,236	3,817	4,032	3,456	3,466	100.3
Canada.....	117	568	599	687	818	119.1
Europe -						
France.....	3,095	1,921	1,900	1,930	1,909	98.6
Spain.....	1,938	1,818	1,384	1,633	1,446	88.5
Bulgaria.....	542	428	458	405	541	133.6
Rumania..... ^{b/}	1,286	638	637	723	888	122.8
Poland.....	12,127	12,008	14,652	14,975	14,701	98.2
Lithuania.....	1,749	1,240	1,161	1,113	1,196	107.5
Latvia.....	868	627	631	504	631	125.2
Finland.....	599	563	563	563	556	98.8
Total Europe (8)....	22,264	19,243	21,386	21,852	21,668	100.1
Total above countries (10).....	24,617	23,628	26,017	25,995	26,152	100.6

^{a/} Figures in parenthesis indicate the number of countries included.^{b/} Four-year average.^{c/} Second estimate.

THIS AGREEMENT, made and entered into at Chicago, Illinois, as of the day of, 1930, by and between THE GRAIN STABILIZATION CORPORATION, a corporation organized and existing under the laws of the State of Delaware (hereinafter referred to as "Corporation"), and, a corporation organized and existing under the laws of the State of, having its principal place of business at (hereinafter referred to as "Miller").

WITNESSETH:

WHEREAS, the Corporation has been organized and is functioning under the Agricultural Marketing Act for the purpose of controlling any surplus in wheat; and

WHEREAS, it is the desire of the Miller and of the milling industry to cooperate with and assist the Corporation in effecting said purpose; and

WHEREAS, it is beneficial in many ways, that as much as possible of any exportable surplus of wheat be exported in form of flour rather than raw material owing to the fact that so doing will furnish additional employment in operating mills and will make more millfeed available for domestic use and increase the consumption of cotton as represented by bags used in export shipments; and

WHEREAS, the Corporation and the Miller to assist in the carrying out of the policies and purposes of the Agricultural Marketing Act have devised a plan of cooperation by which the Corporation will enable the Miller more readily to manufacture wheat products for export, and the Miller in turn will make its storage facilities available to the Corporation and give the Corporation favorable treatment in the purchase of wheat to meet its milling requirements.

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. The Corporation will entertain and favorably consider bids from the Miller for any quantity and quality of wheat which the Corporation has available, provided that such bids are, in the opinion of the Corporation, on a parity with the market value for export of similar grade, quality and position wheat on the day of the bid. If any such bids are accepted by the Corporation, the wheat so purchased shall be used by the Miller solely for the manufacturing of wheat products, all of which, with the exception of the millfeed or offal, shall be sold outside of the continental United States and shall be shipped for export on or before the 15th day of August, 1930, and said wheat shall be used only in filling wheat product orders obtained by the Miller after the making of this contract, and shall in no event be used to fill the Miller's pre-existing contracts and/or obligations of any nature whatsoever.

To assure to the Corporation that the wheat purchased under said bids will be used for the purpose and subject to the conditions set forth in the preceding paragraph the Miller shall deposit with the Corporation, in addition to the purchase price of the wheat, a margin of twelve cents (12¢) per bushel. Upon the Miller presenting evidence satisfactory to the Corporation that it has complied with all of said conditions in regard to any portion of the wheat so purchased, which is not used in compliance with the margin as to such portion shall be refunded in full to the Miller. As to all of said conditions, the Corporation shall refund to the Miller only

that part of the margin as to such portion, which is in excess of the difference between the price paid by the Miller to the Corporation for said portion of wheat and the market value for domestic use of similar quantity, position, grade, kind and quality wheat on the date of purchase of such portion by the Miller from the Corporation, the remainder of said margin to be retained by the Corporation for its own use and benefit..

2. Within forty-five days from the date of this agreement, the Corporation, at its option, may ship to the Miller for storage not to exceed bushels of wheat, the grade, variety and quality of said wheat to be designated by the Miller promptly upon the request of the Corporation (point of inspection to be optional with Corporation), it being the intention that the Miller shall designate such grade, variety and quality as the Miller contemplates it may later desire to purchase from the Corporation to meet its milling requirements. The Miller shall issue to the Corporation a receipt for said wheat so stored (said receipt to be substantially in the form of the receipt attached hereto as Exhibit "A").

Within forty-five days from the date of this agreement, the Miller, at its option, may purchase on the open market not to exceed bushels of wheat to be immediately resold by the Miller to the Corporation at the price paid for said wheat by the Miller, including freight, such wheat to be stored by the Miller for the Corporation. In making such purchases it is understood that the Miller will select such grade, variety and quality of wheat as the Miller thinks is best suited to meet its milling requirements between the date of purchase and the day of (hereinafter referred to as "settlement date"). In each instance before making such purchases, the Miller shall consult with the Corporation as to the quantity, the time and the place of such purchases, and agrees not to make any purchases without the approval of the Corporation.

The Miller shall draw sight drafts on the Corporation through the Continental Illinois Bank and Trust Company, of Chicago, Illinois, or such other bank or banks as the Corporation may specify, for the price of said wheat so purchased, attaching to each of said drafts a bill of sale and receipt (substantially in the form attached hereto as Exhibit "B"), the official inspection certificate furnished to the Miller at the time of its purchase (when said certificate not obtainable, Miller assumes responsibility for grade), and a certificate of weight (official or certified), together with such other documents as the Corporation may require.

On all wheat stored by the Miller for the Corporation, all charges, including weighing, unloading and elevating, shall be borne by the Miller, and the Miller shall make no charge to the Corporation for the storage of said grain.

The Miller, if requested by the Corporation so to do, shall insure any wheat stored under this contract for the account and benefit of the Corporation. The cost of all such insurance is to be paid to the Miller by the Corporation on the settlement date.

The Miller shall give preference in its purchase requirements to wheat owned by the Corporation and stored with the Miller, whenever such wheat of the quantity and quality required for grinding is in store.

The Miller shall have the option to purchase all or any part of the wheat that the Corporation has in store with the Miller in lots of five thousand (5,000) bushels, or any multiple thereof, on any business date between the

date of storage and the settlement date, the price to be the market value of similar variety, grade and quality wheat, F.O.B. point of storage, as determined by the Corporation.

If within five days of settlement date the Corporation has stored with the Miller any quantity of wheat which the Miller does not desire to purchase upon the terms above designated, within five days after receipt of notice from the Miller as to the quantity and grade of such surplus stored wheat, the Corporation shall furnish to the Miller shipping orders for such wheat. Thereupon the Miller shall secure bills of lading as directed by the Corporation. The Miller shall furnish the Corporation with certificates of loading out weights and certificates of inspection wherever such service is available, the cost of such certificates to be borne by the Corporation. The Corporation shall pay the Miller a loading out charge of three-fourth cent ($\frac{3}{4}$) per bushel for all such wheat so loaded out, plus customary car coöperage charges, if any.

The Miller shall exercise due care in maintaining the condition and quality of the wheat of the Corporation in store, and the same degree of care as it exercises to protect the condition and quality of its own wheat. No charge shall be made for this service for wheat of the Corporation afterwards purchased by the Miller. On wheat removed from storage by the Corporation, the Miller may make a turning charge of one-fourth cent ($\frac{1}{4}$) per bushel providing that the wheat has been turned at least once. Additional turning at the same rate may be arranged for upon recommendation of the Miller and approval of the Corporation.

Nothing in this agreement shall be construed to preclude the Miller from the usual and normal conduct of its business outside of the specific contractual obligations and relations set forth in this agreement.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed in their behalf by their proper corporate officers thereunto duly authorized, and their corporate seals to be affixed, all as of the day and year first above written.

THE GRAIN STABILIZATION CORPORATION,

By

First Vice President:

Attest:

.....

Secretary.

.....

(Miller)

By

President.

Attest:

.....

Secretary.

EXHIBIT "A"

RECEIPT

....., 1930
 This is to certify that the undersigned has received and holds in store atbu.lb. ...grade ...protein wheat which is the property and subject to the disposition of The Grain Stabilization Corporation (a Delaware corporation, having its principal place of business at Chicago, Illinois).

The wheat stored under this receipt is stored in accordance with the terms of a certain written agreement between The Grain Stabilization Corporation and the undersigned, dated as of, 1930.

The wheat stored under this receipt must not be removed from the place of storage, exchanged or used by the undersigned without specific written or telegraphic authorization by The Grain Stabilization Corporation.

In the event that the undersigned shall exercise its option to purchase any of said wheat under the terms of said agreement dated as of, 1930, title to said wheat so purchased shall not vest in the undersigned until written or telegraphic acknowledgment of receipt of full payment for said wheat so purchased is received by the undersigned from The Grain Stabilization Corporation.

(Miller)

By
 President.

EXHIBIT "B"

BILL OF SALE AND RECEIPT

KNOW ALL MEN BY THESE PRESENTS, That.....
 (a corporation organized and existing under the laws of the State of), hereinafter referred to as "Miller," in consideration of one Dollar (\$1) and other good and valuable considerations, the receipt whereof is hereby acknowledged, has granted, bargained, sold, assigned, transferred, set over, confirmed and delivered, and by these presents does hereby grant, bargain, sell, assign, transfer, set over, confirm and deliver unto The Grain Stabilization Corporation (a Delaware corporation, having its principal place of business at Chicago, Illinois), hereinafter referred to as "Corporation," and unto its successors and assigns forever, the following property, viz:

...bu.lb. ...grade ...protein wheat.

TO HAVE AND TO HOLD all and singular the said property hereby transferred, assigned and/or conveyed or intended to be transferred, assigned and/or conveyed unto the said Corporation, its successors and assigns, and to its and their own use, benefit and behoof forever.

And the Miller hereby covenants and agrees with Corporation to execute, procure and deliver to Corporation such further instruments of conveyance,

assignment and/or transfer as may be required by Corporation more fully to convey and assign to and vest in the Corporation all and singular the rights and property hereby conveyed and assigned or intended so to be.

In accordance with the terms of a certain written agreement between the Miller and Corporation dated as of, 1930, Miller holds and will continue to hold said wheat above described in store at as the property, and subject to the disposition, of the Corporation.

Said wheat above described must not be removed from the place of storage, exchanged or used by the undersigned without specific written or telegraphic authorization by the Corporation.

In the event that Miller shall exercise its option to purchase any of said wheat under the terms of said agreement dated as of, 1930, the title to said wheat so purchased shall not vest in the Miller until written or telegraphic acknowledgment of full payment for said wheat so purchased is received by the Miller from the Corporation.

.....
(Miller)

By
President.

Attest:

.....
Secretary.

(Affix corporate seal here)

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
WH-49

May 21, 1950

FOREIGN NEWS ON WHEAT

- - - - -

WORLD WHEAT CROP AND MARKET PROSPECTS

During the past month, two factors in the world wheat situation have greatly increased their immediate significance. They are: (1) new crop prospects, and (2) evidences of supplies available from Argentina. In case of each of these factors, developments have been such as to strengthen the market situation. The winter wheat crop of the United States has shown marked deterioration from April 1 to May 1 and now promises to be smaller than any crop harvested since 1925. Shipments of wheat from Argentina decreased sharply about the middle of April, and have since remained at a low level, thereby reducing supplies of Argentine wheat immediately available in Europe and tending to confirm other indications that only small quantities for export now remain. Both of these developments have reduced the seriousness of the large stocks in the United States.

In the United States, May 1 crop conditions indicate a production of winter wheat of 525 million bushels. This is 53 million bushels less than the estimated harvest of last year and smaller than any winter wheat crop since that of 1925. The greatest reduction, as compared with last year, is indicated for soft winter wheat. The indicated hard winter crop, while the smallest of any recent years except 1925 and 1927, is still large enough to provide a considerable exportable surplus. A notable feature is that an especially great decrease in production is indicated

for Texas and Oklahoma. This will tend to reduce the quantity of very early marketings and will tend to postpone the time when a large volume of wheat will need to be moved into export in order to avoid congestion of the markets.

For several months past it has been evident that supplies of wheat available for export from Argentina were very much smaller than a year ago. Though weekly shipments since the first of the year have been less than half as large as in 1929 they have nevertheless been maintained at a fairly constant level and have averaged 2.7 million bushels weekly from the beginning of the year through April 12. At about the middle of April, there was a very sharp drop and for the past five weeks Argentine shipments have remained at a much lower level, averaging 1.7 million bushels weekly. With European stocks already much reduced, this has tended to tighten the supply situation and to increase the demand for North American wheats.

Stocks of wheat available for export from Argentina are now estimated to be about 120 million bushels less than a year ago. Supplies available for export on May 1, 1929 are estimated at 174 million bushels, of which 150 million were shipped from May to December. On the basis of the official estimate of the Argentine crop (and a carryover of 25 million bushels), supplies remaining for export as of May 1, 1930 amount to only 33 million bushels. There are, however, indications that the official estimate is an under-statement and that the crop may be about 160 million bushels. Assuming the crop to be 160 million bushels, supplies remaining for export on May 1 amounted to only 56 million bushels compared with 174 million bushels a year ago. These conditions indicate a more favorable

prospect for moving United States wheat supplies into export than was the case a year ago.

The prospect for the 1930 world wheat crop is quite uncertain. The area reported in 17 countries amounts to 150 million acres, which is 3 million acres or 2 per cent less than was harvested in the same countries in 1929. The corresponding areas in 1929 amounted to over 50 per cent of the total world area as reported for the season. The most significant reduction has been due to heavier winter killing in the United States. It may be remembered that the area seeded was 43,400,000 acres, about 2 per cent greater than the area seeded for the 1929 crop. However, farmers reported abandonment to May 1 amounting to 11 per cent of the area seeded, in comparison with 6.5 per cent of the area seeded for the 1929 crop. The area reported in 16 foreign countries totals 91 million acres, which is one million less than for the 1929 crop. Reports generally indicate some reduction in Canadian spring wheat seedings. An analysis of factors influencing seedings in recent years indicates that the total Canadian area may not exceed 24 million acres, 1,255,000 less than in 1929.

Table 1.--WHEAT, INCLUDING FLOUR: Shipments from principal exporting countries

Date	:	Argentina	:	Australia	:	Danube	:	North America
	:		:		:		:	
	:	1,000	:	1,000	:	1,000	:	1,000
	:	<u>bushels</u>	:	<u>bushels</u>	:	<u>bushels</u>	:	<u>bushels</u>
1929-30	:		:		:		:	
Dec. 7	:	3,408	:	524	:	736	:	6,153
14	:	3,312	:	1,056	:	360	:	5,350
21	:	2,208	:	1,036	:	1,240	:	3,626
28	:	3,208	:	2,132	:	144	:	3,417
Jan. 4	:	1,512	:	1,180	:	200	:	4,868
11	:	2,316	:	1,772	:	328	:	5,678
18	:	2,580	:	2,072	:	144	:	6,230
25	:	4,216	:	2,728	:	60	:	5,619
Feb. 1	:	2,732	:	1,220	:	128	:	6,212
8	:	2,416	:	2,056	:	16	:	6,136
15	:	2,892	:	1,592	:	272	:	5,203
22	:	3,048	:	2,064	:	96	:	5,540
Mar. 1	:	3,028	:	2,260	:	0	:	3,050
8	:	2,688	:	2,304	:	96	:	5,746
15	:	2,284	:	1,484	:	496	:	5,641
22	:	1,516	:	1,248	:	360	:	3,602
29	:	2,412	:	1,696	:	376	:	5,870
Apr. 5	:	3,152	:	2,012	:	88	:	5,586
12	:	4,124	:	868	:	120	:	4,886
19	:	1,696	:	1,248	:	40	:	4,183
26	:	1,600	:	390	:	128	:	3,902
May 3	:	1,565	:	1,536	:	120	:	5,912
10	:	2,465	:	1,904	:	144	:	5,121
17	:	1,070	:	960	:	112	:	
	:		:		:		:	

Wheat prices

After reaching a peak early in April, United States wheat prices declined until early in May when new low levels for the crop year were reached by both cash prices and prices for the future deliveries which are now current. At a low of 100.0 cents per bushel, reached on the 5th and 8th of May, Chicago May futures were 2.8 cents below the low of any previous downswing in the present season, the figure 102.8 having been reached in February. During the February downswing, however, March futures at Chicago had reached a low of 98.8 cents per bushel. On May 8th July, September and December futures at Chicago reached lows of 100.6, 103.0 and 107.6 cents per bushel, respectively.

Cash wheat prices in United States markets declined along with futures. The all classes and grades average for six markets, which was 107.8 cents for the week ended April 11, declined to 97.5 cents for the week ended May 9. During this period the greatest decline of the representative wheats was that of No. 2 hard winter which dropped 11.6 cents to 95.8 cents per bushel. No. 2 red winter at St. Louis declined 9.7 cents to 110.8 cents per bushel, No. 1 dark northern spring at Minneapolis 9.6 cents to 108.4 cents per bushel and No. 2 amber durum at Minneapolis 9.1 cents to 93.9 cents per bushel.

The declines in cash prices were somewhat less than in futures. Thus while the weekly average of No. 2 hard winter at Kansas City dropped 11.6 cents, the weekly average of the May futures closing price fell 12.6 cents and of the July futures 13.7 cents per bushel. There was an even greater difference at Minneapolis where No. 1 dark northern spring declined 9.6 cents while May futures declined 12.1 cents and July futures 12.0 cents per bushel. At Chicago the decline in the average closing price of May futures was 13.3 cents and of July futures 13.6 cents per bushel from the week ended April 11 to the week ended May 9.

In the principal foreign markets the decline of futures prices were smaller than in the United States markets. Thus while May futures at Chicago declined 13.3 cents from the week ended April 11 to the week ended May 9, Winnipeg May futures declined only 10.5 cents and Liverpool 10.4 cents per bushel. During the same period July futures declined at Chicago 13.6 cents, at Winnipeg 10.8 cents and at Liverpool 10.2 cents per bushel.

Prices of wheat parcels at Liverpool have fluctuated largely with the fluctuations of futures. There have, however, been significant changes as between the different wheats. During December No. 3 northern Manitoba was selling at around 16 to 17 cents per bushel over 63.5 pound Rosafé while during April the difference averaged only about 6 cents per bushel. Quotations for No. 2 hard winter at Liverpool, on the other hand, have seldom been more than 7 cents over 63.5 pound Rosafé and have shown no marked trend as compared with the Argentine wheat. They have, however, risen as compared with No. 3 Manitoba northern.

On May 15 wheat futures prices closed higher than a week previous. Advances during the week were irregular, but amounted to nearly 3 cents per bushel in United States markets. July futures at Chicago closed at nearly 104 cents per bushel compared with slightly over 101 cents May 8 and 108 cents per bushel on the corresponding date a year ago. At Kansas City July futures closed at about 97 cents compared with 94 cents per bushel a week before while at Minneapolis the corresponding figures were 104 and 101 cents per bushel respectively and at Winnipeg the close on May 15 was about 109 cents per bushel compared with 107 cents a week before.

Overseas, prices were also higher, advances being recorded at both Liverpool and Buenos Aires. July futures at Liverpool rose from a close of 111 cents a week previous to a close of 115 cents per bushel on May 15. The Liverpool close was consequently approximately 11 cents over Chicago and 18 cents over Kansas City closing prices. There has been a marked tendency during the past few weeks for the spread between Liverpool and Chicago quotations to widen; thus on April 3 the spread was only about 3 cents, two weeks later it had increased to 6 cents, then to 8 cents on May 1. There have, of course, been irregular fluctuations in the spread as will be seen by the fact that it amounted to 10 cents on April 24, nevertheless the general increase is indicative of the tendency for the United States prices to reach more definitely an export basis. The spread between Buenos Aires and Liverpool quotations, while fluctuating, has shown no corresponding upward trend during the past six weeks - Argentina having been upon a definitely exporting basis throughout the period. On May 14 Buenos Aires June futures closed at 104 cents compared with 101 cents per bushel a week before.

Table 2.--WHEAT: Closing price per bushel of July futures

Date	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires a/						
	: 1929 : 1930	: 1929 : 1930	: 1929 : 1930	: 1929 : 1930	: 1929 : 1930	: 1929 : 1930						
	: Cents	: Cents	: Cents	: Cents	: Cents	: Cents						
Mar. 27:	125	106	116	98	120	105	128	110	135	113	b/112	b/103
Apr. 3:	122	115	113	107	117	114	126	118	133	118	b/111	b/105
10:	124	115	116	108	120	113	128	118	135	122	b/110	b/111
17:	121	109	112	100	117	108	126	112	133	115	b/110	b/106
24:	117	106	108	98	114	106	123	111	128	116	b/108	b/105
May 1:	118	104	110	96	117	104	124	109	126	112	b/106	b/104
8:	108	101	100	94	106	101	112	107	117	111	101	b/101
15:	108	104	101	97	108	104	116	109	119	115	102	b/104
22:	106		99		106		115		117		99	
29:	100		95		99		110		116		94	
June 6:	109		102		107		117		115			
	:	:	:	:	:	:	:	:	:	:	:	:

a/ Prices are of day previous to other prices.

b/ June future.

Table 3.--WHEAT: Weighted average cash price per bushel at stated markets

	All classes and grades six markets		No. 2 hard winter, Kansas City		No. 1 dk.n.spring, Minneapolis		No. 2 amber durum, Minneapolis		No. 2 red winter, St. Louis		Western white, Seattle a/		
Week ended	: 1929 :	: 1930 :	: 1929 :	: 1930 :	: 1929 :	: 1930 :	: 1929 :	: 1930 :	: 1929 :	: 1930 :	: 1929 :	: 1930 :	
	: Cents :	: Cents :	: Cents :	: Cents :	: Cents :	: Cents :	: Cents :	: Cents :	: Cents :	: Cents :	: Cents :	: Cents :	
Mar.	21:	115 :	99 :	117 :	98 :	135 :	110 :	123 :	99 :	139 :	115 :	120 :	109
	28:	110 :	100 :	112 :	100 :	128 :	112 :	117 :	97 :	130 :	117 :	116 :	110
Apr.	4:	109 :	103 :	110 :	102 :	129 :	114 :	---	101 :	130 :	120 :	117 :	112
	11:	112 :	108 :	114 :	107 :	130 :	118 :	118 :	103 :	130 :	120 :	117 :	112
May	18:	112 :	102 :	113 :	101 :	133 :	113 :	---	98 :	128 :	117 :	118 :	110
	25:	107 :	99 :	107 :	98 :	125 :	109 :	119 :	94 :	122 :	114 :	116 :	107
	2:	107 :	99 :	107 :	97 :	128 :	110 :	112 :	96 :	118 :	113 :	115 :	106
	9:	101 :	97 :	104 :	96 :	123 :	108 :	113 :	94 :	122 :	111 :	110 :	
	16:	103 :		103 :		124 :		109 :		118 :		109 :	
	23:	101 :		100 :		121 :		114 :		116 :		108 :	
	30:	95 :		94 :		112 :		102 :		110 :		104 :	
	:	:	:	:	:	:	:	:	:	:	:	:	:

a/ Weekly average of daily cash quotations basis No. 1 sacked 30 days delivery.

Table 4.—British wheat prices
(Converted to cents per bushel)

Week ended Friday	Near futures close Liverpool	Parcels				British parcels a/
		No. 3 Manitoba northern Liverpool	No. 2 hard winter shipping Liverpool	Rosafe 63 lb. Liverpool		
	Cents	Cents	Cents	Cents		Cents
1929-30						
Dec. 6.....	137	156	143	140		145
13.....	133	152	136	136		140
20.....	132	149	135	132		138
27.....	134	151	136	135		141
Jan. 3.....	144	157	146	139		147
10.....	139	b/ 153	142	137		142
17.....	130	b/ 147	137	133		139
24.....	132	145	136	131		139
31.....	123	140	132	132		135
Feb. 7.....	123	137	128	127		127
14.....	122	135	127	123		129
21.....	115	128	126	117		121
28.....	113	125	120	116		120
Mar. 7.....	112	124	120	c/ 113		119
14.....	104	119	118	108		115
21.....	106	118	d/ 115	106		116
28.....	109	121	116	111		116
Apr. 4.....	115	122	118	115		119
11.....	120	129	122	120		120
18.....	114	124	120	114		
25.....	112	119	117	116		
May 2.....	111	119	115	116		
9.....	109					

a/ Computed by Food Research Institute, averages for weeks ended Saturday.

b/ Afloat.

c/ 63 pounds.

d/ 15th and 17th only.

The wheat crop of the United States

Reports to the Department of Agriculture indicate that 11 per cent of the winter wheat area seeded is being abandoned, and the conditions reported indicate a yield of 13.6 bushels per acre upon the area remaining for harvest, which would result in a crop of 525 million bushels. The abandonment is slightly below the average but considerably larger than last year when only 6.5 per cent was abandoned. The acreage remaining for harvest is still larger than average but is smaller than that of 1923 and 1929. The indicated yield is below that of the previous season and below average. The indicated production is 53 million bushels less than last year and the smallest since 1925 when the winter wheat crop amounted to 402 million bushels.

May 1 conditions indicate a reduction in the production of all classes of winter wheat. The most significant reduction is in soft red winter which would be reduced from about 190 to 165 million bushels. This would be the smallest crop in eight years with the exception of 1928. It is nearest to the production of 1925 when both hard and soft red winter wheat crops were small. In studying the relation of the recent soft red winter wheat crops to prices, it should be observed that the supply of low-protein hard red winter wheat is also a factor in the hard red winter wheat markets. Furthermore, the supply of soft red winter wheat will not be so low in relation to the previous season as indicated by the production figures. The short crop of 1928 left a very small carryover of soft red winter wheat, and a part of the 1929 crop is being utilized to restore stocks to normal. The supply from the 1930 harvest, therefore, is to be added to a stock of old wheat larger than that of July 1, 1929. Nevertheless, considering that the exports of soft red winter wheat in recent years have been very small except in years when the harvest was considerably larger than now indicated for 1930, it appears that this crop would scarcely meet usual domestic requirements for this class of wheat in the United States.

The hard red winter wheat crop is the smallest in recent years with the exception of 1925 and 1927, but the crop is still large enough to provide a considerable exportable surplus. The carryover of hard red winter wheat also is likely to be large and possibly larger than on July 1, 1929.

Conditions indicate a production of about 37 million bushels of fall sown types of white wheat, as compared with 45 million bushels produced in 1929. The significance of this reduction will depend largely on the outturn of the white spring wheats. The reduction in winter sown white wheats probably will be made up to some extent by more extensive seedings of spring wheat.

The record for the several classes of wheat in the 1929-30 season is not yet complete, but available data indicate that exports and prices are fairly well in line with what might have been expected from the estimates of the crop. The inspected exports through January show that the bulk of exports for the season consist of the hard red winter and white wheats. Only very small amounts of durum and soft red winter wheats have been exported. Out of the 191 million bushels of soft red winter wheat, only 2 million bushels have been counted in exports in the first seven months of the season, and nearly all of this was from the Pacific Coast.

Stocks of grain in the United States

Domestic wheat in store and afloat decreased from 150 million bushels as of April 5 to 135 millions as of May 3. Stocks as of the latter date still amounted to 22 million bushels more than on the corresponding date a year ago, but the reduction in the stocks in the four weeks was 15 million bushels, compared with 10 millions in the corresponding period a year ago. Exports were light and mill grindings probably not much in excess of a year ago. Exports during April amounted to only about 5 million bushels of wheat including flour, compared with 9 millions in April a year ago. The greater reduction in visible supply was due more to the fact that the supplies coming into these markets were small rather than to a large utilization.

The stocks of wheat in all positions as of March 1 were probably about 479 million bushels, 21 millions in excess of the stocks on hand March 1, 1929. The exports of wheat as grain and mill grindings in March were probably about as large as in March a year ago. It appears that grain exports in April were smaller than a year ago. Therefore, unless more wheat has been fed or more used in mills, the supply of wheat in the United States as of May 1 was possibly nearly 25 million bushels in excess of the supply on May 1 a year ago. Exports in May and June a year ago amounted to 15 million bushels, and mill grindings to 89 million bushels, a total of 105 millions. Unless exports are increased or utilization within the country is increased by about 25 million bushels, carryover in the United States on July 1 will be in excess of the 245 million bushels accounted for as of July 1, 1929.

The new crop will soon begin to move from the Southwest and, at present, prospects are more favorable than a year ago for the movement of the southwestern wheat. If the crop turns out to be no larger than indicated by May 1 conditions, the supply to be moved will be smaller than a year ago. The stocks of old wheat on farms and in country elevators will be somewhat smaller. Elevators at Kansas City are still fairly well occupied, but the Gulf ports have been fairly well cleared for the new crop. The amount of all grain in store at Galveston and New Orleans as of May 3 was less than on the corresponding date a year ago.

Elevator space remaining unfilled

Market	:	Space for	:	Percentage
	:		:	of total
	:	<u>1,000 bushels</u>	:	<u>Per cent</u>
Kansas City <u>a/</u>	:	3,455	:	12.3
New Orleans <u>b/</u>	:	4,566	:	89.1
Galveston <u>b/</u>	:	4,377	:	83.4
Houston <u>b/</u>	:	1,183	:	59.4

a/ New elevator space amounting to one million bushels were added during the week.

b/ Export elevators only.

Grain may move from the Gulf ports more freely than a year ago in July and August. One important cause of congestion at Galveston a year ago was the smallness of the export movement of the grain after it reached that

port. Argentina, having a large surplus, was shipping in large volume thus greatly reducing the outlet for winter wheat from the United States. With only a small supply of wheat at present in Argentina, wheat from the Gulf ports will have to compete mainly with Canadian wheat which is of a different class and the supply of which is somewhat smaller than a year ago.

Canadian wheat acreage.

The present probabilities appear to be for a decrease in the Canadian wheat acreage for the 1930 harvest, although no very accurate criterion has been discovered for determining the acreage in advance of the Canadian official report which is not usually published until in July. An analysis of certain of the factors related to acreage throws some light on the question and suggests the most probable acreage for 1930 to be between 23,500,000 and 24,000,000 acres. The official estimate for 1929 was 25,255,000 acres.

In Saskatchewan where roughly about half of the Canadian wheat crop is grown these factors indicate an area of around 13,500,000 acres, compared with 14,445,000 seeded in 1929. There appears to be a fairly close association during the past eight years in Saskatchewan between the value of the crop per acre and the area seeded the following spring. In determining the value a rough measure was used, obtained by multiplying the yield per acre by the average price of No. 1 Manitoba Northern at Winnipeg for the months September through March. The per acre value thus computed for 1929 is the lowest reported in recent years, amounting to \$14.00 compared with \$27.00 in 1928, \$29.00 in 1927 and previous low points of \$18.00 in 1925 and \$16.00 in 1921. A 1930 acreage in line with these value estimates would not be greater than 13,000,000 acres, but other circumstances are expected to tend to offset the discouraging effect of the low yields and low prices of the 1929 crop. They include a slight upward trend in acreage, which may be associated with immigration, the optimism resulting from a series of good crops before 1929, and the early spring with its consequent long seeding time.

The upward trend in acreage in this province, which was so pronounced before and during the war, appears to have been continued since the war at a less rapid rate. The slowing up of the rate of increase in acreage in recent years may be partly accounted for by a falling off in immigration. After 1921 the immigration to the province has averaged less than 14,000 annually, compared with 40,000 in the period 1909-10 to 1913-14. The post-war immigration may also be partially offset by increasing diversification in farming and by a movement farther to the west of some of the earlier settlers. Consul Blohm at Regina reports increased immigration and many new homesteads in the past year.

There appears to be a slight association between the earliness of the planting season and the acreage seeded. This year the Dominion crop report of May 12 indicated 61 per cent of seedings in the ground in Saskatchewan by April 30, a greater proportion than in any preceding year since 1919.

The Saskatchewan crop reports tended to confirm other indications of probable reduction in acreage although it gave no indication of the amount of decrease which might be expected. The report indicated some tendency to shift from wheat to feed crops which were scarce last winter; Consul Blohm also reported a tendency to shift to feed crops and flax.

In Alberta the upward trend of acreage before 1921 has continued up to the present time, and appears to have more influence on acreage than the value of the preceding harvest. The greatest decrease noted in acreage was 10 per cent in 1923. The probable Alberta acreage for 1930 appears to be between 90 and 100 per cent of the 1929 area or probably between 7,000,000 and 7,500,000 acres. The Alberta crop report for April 26 indicated a slight decrease in wheat acreage but an increase in coarse grain and total grain acreages.

In Manitoba and eastern Canada, acreage has not followed the value of the crop as closely as in the western provinces, and the general trend since 1921 has been downward. A continuation of this downward trend appears probable this year, which would place the acreage between 2,800,000 and 3,200,000 compared with 3,259,000 acres in 1929.

The recommendation of the Canadian Wheat Pool may also contribute to a decrease in wheat acreage in 1930. The Manitoba Free Press reports 65 to 75 per cent of seedings completed in Alberta, 60 to 70 per cent in Saskatchewan and 80 to 85 per cent in Manitoba by April 30.

Table 5.--Wheat acreage in Canada, computed wheat value per acre for preceding season in Saskatchewan, seeding dates and immigration into Saskatchewan, 1920 - 1930

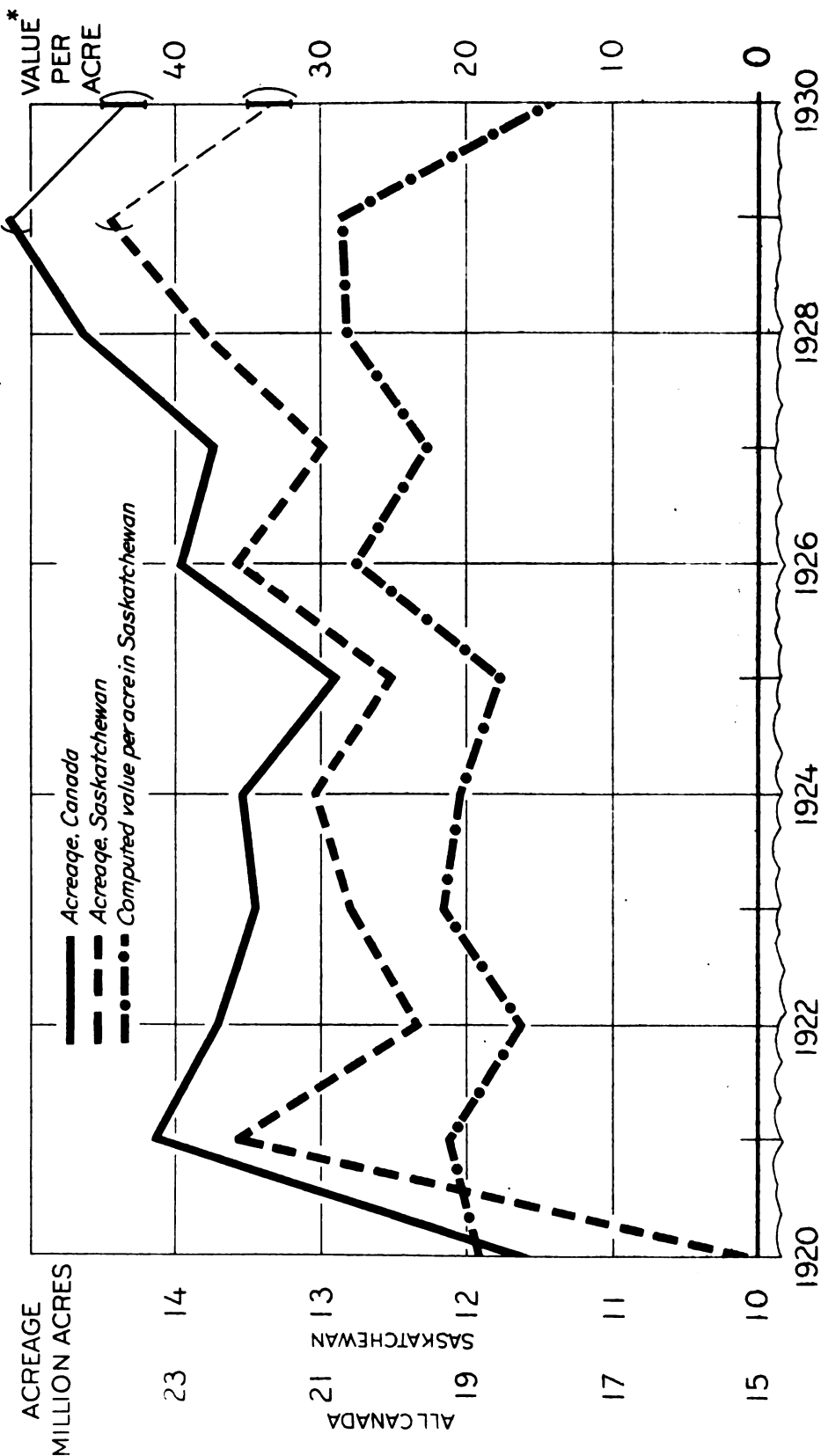
	Acreage				Saskatchewan			
Year of seeding	:	:	:	:	:	Computed:	Per :	:
	:	:	:	:	:	wheat	centage	Immigrant
	:	Manitoba:	:	:	:	value	of	arrivals,
	:	All	and	Alberta	:	per acre:	seeding	year
	:	Canada	Eastern	:	Saskat-	chewan	pre-com-	ended
	:	:	Provinces	:	:	ceding	pleted	Mar. 31
:	:	:	:	:	season :	by :	:	
:	:	:	:	:	a/	Apr. 30:	:	:
	1,000	1,000	1,000	1,000	:	:	:	:
	acres	acres	acres	acres	Dollars	Per cent	Thousands	
1920	18,232	4,097	4,074	10,061	19.04	4	14.3	
1921	23,261	4,581	5,123	13,557	21.13	21	13.4	
1922	22,423	4,325	5,766	12,332	16.15	17	9.9	
1923	21,886	3,222	5,173	12,791	21.52	18	8.2	
1924	22,056	3,449	5,574	13,033	20.45	15	13.2	
1925	20,790	2,933	5,348	12,509	17.65	32	14.0	
1926	22,896	3,177	6,161	13,558	27.45	45	13.8	
1927	22,460	3,230	6,251	12,979	22.68	2	20.1	
1928	24,119	3,620	6,703	13,791	28.08	8	15.3	
1929	25,255	3,259	7,551	14,445	28.43	39	14.8	
1930	:	:	:	:	14.02	61	b/	

Acreage and yield figures and percentage of seeding completed, compiled from reports of the Dominion Bureau of Statistics, prices from Winnipeg Farmer's Advocate and Minneapolis Daily Market Record, and immigration from reports of Saskatchewan Department of Agriculture.

a/ Computed by multiplying price of No. 1 Manitoba Northern at Winnipeg for the period September through March prior to seeding by the Saskatchewan yield per acre of the harvest prior to seeding. Values thus computed from No. 1 Manitoba Northern at Winnipeg were more closely associated with the acreage seeded than were values based on average Saskatchewan prices.

b/ Consul Blohm at Regina reports an increase in immigration and new homesteads.

WHEAT: ACREAGE IN ALL CANADA AND IN SASKATCHEWAN COMPARED WITH COMPUTED VALUE* PER ACRE IN SASKATCHEWAN FOR THE PRECEDING SEASON, 1920-1930



* THE CURVES SHOW ACREAGES FOR THE YEAR INDICATED AND VALUE FOR THE PRECEDING SEASON. THE VALUE PER ACRE IS COMPUTED BY MULTIPLYING THE ANNUAL YIELD PER ACRE IN SASKATCHEWAN BY THE PRICE OF NO. 1 MANITOBA NORTHERN AT WINNIPEG, AVERAGE FOR SEPTEMBER-MARCH, FOLLOWING HARVEST.

Canadian wheat crop

Weather conditions in the Prairie Provinces prior to and during the wheat planting season have been moderately favorable in spite of a tendency to drought. A statistical study of the relationship between weather conditions through April and yield, indicates that the outlook at present is for a wheat yield about average or a little above. It should be borne in mind that weather conditions through April can not be expected to provide an accurate indication of yields, for yields are greatly influenced by subsequent weather conditions.

The statistical study based on weather conditions through April indicates the most probable size of the crop to be between 425 and 450 million bushels for all Canada as compared with a harvest of 290 to 300 million bushels in 1929, 567 million in 1928 and an average of 450 million bushels in the past five years. However, conditions between now and harvest will have an important bearing on yield, especially rainfall between now and July, and May rainfall so far has not been as heavy as could be desired. A year ago preliminary data on weather conditions for the same period indicated a below average yield per acre for all Canada in 1929 of 15 to 16 bushels to the acre, or a drop of 6 to 7 bushels from that of the preceding harvest a/. Revised and more complete weather data for the same period indicated a yield of 14 to 15 bushels. The drought during the spring and summer did considerable damage and the yield as indicated statistically from both winter and summer weather conditions through July was about 12 to 13.5 bushels to the acre. The crop was estimated to be about 290 to 330 million bushels. The final Canadian official estimate of the yield was 11.9 bushels per acre on the revised acreage and the total crop was 300 million bushels.

Saskatchewan produces over half of the total Canadian wheat crop, and conditions in that province are of especial importance in indicating the crop for the country as a whole. Present indications are for a 1930 wheat yield of 17 to 18 bushels to the acre in that province compared with 10.7 bushels in 1929. These yields on the area indicated above would give a harvest of about 230 to 245 million bushels in 1930 compared with 155 million bushels officially reported for 1929. Wheat yields in all Canada are usually higher than in Saskatchewan, averaging about a bushel to the acre more. A yield of 18 to 19 bushels on the estimated acreage would result in a Canadian harvest of 425 to 450 million bushels.

In Saskatchewan autumn precipitation, part of which is retained in the soil over winter and gives a reservoir of soil moisture in the spring, was nearly average in the fall of 1929 whereas in 1928 it was about the lowest on record. At the beginning of autumn this season, however, the soil was unusually dry and at the beginning of winter was noticeably drier than average. Statistic analysis indicated that heavy January-March precipitation may have a detrimental effect on yields, possibly by retarding the spring preparation of the soil and

a/ Published in F.S./WH-36, June 1929, pages 10-16. The present study is based on conditions from August through April, whereas that published a year ago was based on conditions September through April. Normally better results are obtained by omitting August, but in view of the unusual dryness at the beginning of September 1929, the longer period was considered better for analysis of the present season.

soeding, giving the crop a late start. In 1930 the precipitation in this period was below average whereas in 1929 it was just about average. Warm weather in April tends to be associated in this statistical analysis with high yields, probably by allowing early preparation of the soil and seeding, enabling the crop to reach maturity before summer droughts and to ripen before the frosts hurt it. Weather data are not yet available for all stations used in the analysis for the complete month of April. Data from stations reporting, however, indicated warm weather, especially the first part of April. An early soeding season is also indicated by the Saskatchewan crop report of April 14 and later unofficial reports. Seeding was expected to be general by about April 20 and nearly completed by the end of the month. Cold weather the latter part of the month, by delaying the growth of the young plants may partially offset the advantage of the early start. Plentiful rains in some regions the latter part of the month were probably sufficient to overcome the dangers indicated by surface drought at the beginning of seeding. Rainfall during the first half of May, although apparently sufficient for current needs, has averaged much less than the daily average for May in earlier years, and has not made up the deficiency in soil moisture. In the Table below are shown weather conditions as reported to date in Saskatchewan, and also conditions in other years which have had early conditions generally somewhat similar to those of this season.

Table 6.--SASKATCHEWAN: Precipitation, temperature and wheat yields in specified years

Item and period	Average : 1904-05 : to 1927-28:	: 1905-06:	: 1906-07:	: 1911-12:	: 1924-25:	: 1929-30
	Inches	Inches	Inches	Inches	Inches	Inches
Precipitation total,						
Aug.	2.08	.95	1.97	2.48	2.58	.4
Sept.-Nov.	3.02	2.93	2.94	2.90	3.51	2.9
Jan. -Mar.	1.97	1.23	1.41	0.62	2.47	1.2
Apr. ....	.89	1.03	.51	0.51	1.32	a/(1.4)
May-July total.....	7.48	9.57	5.48	8.33	7.02	---
Average daily temperature : degrees F.	Degrees	Degrees	Degrees	Degrees	Degrees	Degrees
Dec.-Jan.	7.2	13.6	-4.5	4.1	2.9	2.4
Apr.	39.6	45.5	26.9	42.6	44.0	(44.3)
June-July	62.8	62.8	60.5	62.1	62.4	---
Wheat yield per acre : Bushels	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels
Dominion report.....	17.5	23.7	14.0	19.2	18.6	---
Provincial "	16.9	21.4	13.5	19.9	18.5	---
Estimated from weather :						
Aug. through Apr. b/.....	---	18.1	14.2	23.4	19.8	17.7
Aug. through July c/.....	---	18.2	16.4	20.2	17.9	17.0
Sept. through July	---	20.5	14.7	21.3	17.4	---

a/ This average is exclusive of Moose Jaw, which station may not have received as much precipitation near the end of the month as did the western part of the province. b/ From study using only weather data through April. Yield as estimated from weather September through April were 19.6 bushels in 1906, 14.0 in 1907, 22.2 in 1912, 18.6 in 1925 and 20.3 in 1930. c/ From study using weather data through July but assuming average conditions the balance of the season.

Alberta, which produces much of the balance of the Canadian crop, appears to have had weather conditions somewhat more favorable to wheat growth than Saskatchewan and an above average yield is indicated. Since yields in Alberta average higher than in Saskatchewan the outlook at present is that yields in all Canada may be higher than in Saskatchewan, as usual.

Table 7.--WHEAT INCLUDING FLOUR: Exports from principal exporting countries February, March and April, 1929 and 1930

Country	Feb.		Mar.		Apr.	
	1929	1930	1929	1930	1929	1930 <u>a/</u>
	1,000	1,000	1,000	1,000	1,000	1,000
	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
United States.....	8,948	9,535	9,090	7,321	9,151	4,963
Canada.....	19,710	8,895	27,565	14,656	10,554	<u>b/</u> 13,250
Argentina.....	27,541	<u>a/</u> 11,584	29,861	<u>a/</u> 8,890	22,381	10,527
British India.....	<u>c/</u> -5,182	<u>a/</u> 0	<u>c/</u> -3,875	<u>a/</u> 0	<u>c/</u> -3,133	0
Australia.....	16,564	<u>a/</u> 7,972	16,023	<u>a/</u> 6,732	17,619	4,504
Russia <u>a/</u>	0	1,928	0	360	0	1,688
Danube and						
Bulgaria.....	0	384	160	1,328	88	376
Total.....	67,581	40,098	78,824	39,287	56,650	35,508

Compiled from official and trade sources.

a/ Preliminary.

b/ Estimated.

c/ Net imports.

Table 8.--WHEAT: Stocks at certain European points on specified dates

Date	On pass-ago	United Kingdom <u>a/</u>	French ports	Italy	Rotterdam	Amsterdam	Antwerp	Hamburg	Berlin	German farm stocks	Hungarian warehouses
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	<u>bush.</u>	<u>bush.</u>	<u>bush.</u>	<u>bush.</u>	<u>bush.</u>	<u>bush.</u>	<u>bush.</u>	<u>bush.</u>	<u>bush.</u>	<u>bush.</u>	<u>bush.</u>
1930											
Jan. 15	52,672	14,680				1,546	1,100	700	51,335	4,200	
Jan. 31	35,800	13,200	853	1,601	432	81	834	1,100	880		4,000
Feb. 15	40,720	14,000					577	1,800		41,779	3,700
Feb. 28	39,200	13,016	922	1,172	1,784	99	968	1,800	1,000		3,500
Mar. 15	38,496	12,480					2,027	1,500		32,213	3,000
Mar. 31	34,216	11,040	611	697	698	68	1,467	1,300	900		2,600
Apr. 15	36,448	12,160					1,354	1,100		17,438	2,000
Apr. 30	34,808	10,184			300		1,500	900	900		1,700

a/ Port stocks.

Table 9.--WHEAT: Stocks at certain European points
on April 15, 1929 and 1930

Position	: Apr. 15, 1929	: Apr. 15, 1930
	: <u>1,000 bushels</u>	: <u>1,000 bushels</u>
On passage to Europe	: 65,296	: 36,448
United Kingdom port stocks	: 8,000	: 12,160
England and Wales - farm stocks	: <u>a/</u> 6,347	: <u>a/</u> 8,101
Germany - farm stocks	: 23,674	: 17,438
Antwerp	: 2,454	: 1,554
Hungarian warehouses	: <u>a/</u> 3,700	: <u>a/</u> 3,000
Total	: 109,671	: 78,501

a/ April 1.Table 10.--WHEAT, INCLUDING FLOUR: Net imports into European
importing countries 1928-29 and 1929-30

Country	: July 1 to	: 1928-29	: 1929-30
	: Million	: Million	
	: <u>bushels</u>	: <u>bushels</u>	
United Kingdom	: Mar. 31	: 150	: 158
Italy	: Mar. 31	: 63	: 19
Germany	: Mar. 31	: 48	: 52
France	: Feb. 28	: 30	: 25
Belgium	: Feb. 28	: 28	: 29
Netherlands	: Mar. 31	: 22	: 23
Czechoslovakia	: Feb. 28	: 12	: 9
Greece	: Feb. 28	: 13	: 14
Irish Free State	: Feb. 28	: 12	: <u>a/</u> 9
Austria	: Feb. 28	: 10	: 11
Switzerland	: Mar. 31	: 11	: 13
Sweden	: Mar. 31	: 5	: 6
Norway	: Feb. 28	: 6	: 5
Denmark	: Feb. 28	: 10	: 6
Finland	: Feb. 28	: 4	: 4
Poland	: Feb. 28	: 3	: <u>b/</u>
Estonia	: Feb. 28	: 1	: 1
Latvia	: Jan. 31	: 2	: 2
Spain	: Dec. 31	: 7	: 0
Portugal	: Feb. 28	: 5	: 2
Total	: :	: 442	: 368

a/ Does not include wheat flour from October to February.b/ Less than 500,000 bushels.

Export encouragements and import restrictions relative to wheat and flour

The wheat and flour of the United States have had to meet in the present season, an unusual amount of competition from foreign countries in the form of assistance to exports, and have been confronted with unusual restrictions on the part of importing countries for the purpose of protecting their domestic markets. A few countries have continued to maintain an open door, importing wheat and flour free of duty. Among these are the United Kingdom, the Netherlands, Norway, and Denmark. Belgium charges no duty but has introduced the licensing of imports as a protective measure. The domestic production of these countries is small and they import most of what they consume. The United Kingdom and the Netherlands have imported more wheat including flour in the season to date than in the corresponding months of the previous season. These countries, however, appear to have taken less than half of the net exports of the United States in the season, July through March. Many countries which produce little or no wheat are regular markets for flour and some wheat from the United States, and impose duties primarily for revenue purposes. Importing countries which undertake to maintain domestic production and protect their own producers by high duties and other restrictions on imports are also important markets. Two successive seasons of low prices have resulted in many of these countries increasing duties and taking other measures to maintain higher prices for their domestic wheat and flour.

Special aids to exports which relieve producing countries of surpluses and raise domestic prices, are also important factors in our world wheat market situation. Some measures, such as the export or import certificate system, tend to increase international trade in wheat by moving local and seasonal surpluses out of importing countries, and at the same time facilitate imports into other localities and at other times in the season; but in many cases these are being supplemented by other measures which restrict imports.

Many countries that have not yet taken definite measures for protecting producers against imports or improving the domestic market by encouraging exports are discussing such measures. Even the United Kingdom is considering measures for protecting or aiding home producers. It is proposed to introduce some control over flour imports and require millers to use a fixed percentage of home grown wheat in the manufacture of flour. A series of short crops, on the other hand, might result in reductions in import duties and discontinuance of import restrictions on the part of many countries as well as export aids on the part of others.

A brief summary of measures intended to restrict imports or to encourage exports is submitted below. The summary is not complete but may convey an impression of the extent and character of the measures now in effect. Many other countries are now considering the introduction or enactment of similar measures.

Germany has made the greatest efforts to protect wheat producers against a depression in domestic wheat prices. The import certificate system of Germany provides that exporters of wheat and certain other grains may receive an "import certificate" which can be used later in payment of import duties on these grains. This system encourages the export of wheat from the surplus producing areas of eastern Germany and tends to encourage imports of foreign grain into western Germany where the domestic supply is far from sufficient for domestic needs. As an aid to domestic producers, this measure has been supplemented by increased tariff duties and milling regulations. The first increase in duty was in July when it was raised from 32 to 42 cents per bushel for "the most favored nations". Then on January 20 the duty was raised from 42 to 62 cents. The next increase became effective March 27, raising the duty to 78 cents, and the last, effective April 25, increased it to 97 cents. The increase in duty in July was supplemented by a requirement that mills use at least 30 per cent of home grown wheat in their milling operations for the season. During the first four months of the season they were to use 40 per cent. Later the milling percentage was raised from 40 to 50 per cent, and the time of operation has been extended through May. It is also proposed to compel bakers to use more rye in bread in combination with wheat flour.

In Czechoslovakia, as in Germany, the import certificate tends to facilitate the export of domestic wheat from local surplus producing areas, and it may facilitate to some extent the import of foreign wheat into deficit areas or for mixing with domestic wheat. According to a report by the Department of Commerce, the government has had under consideration a measure which limits the use of wheat flour in baker's bread to 10 per cent, the balance to be rye. The object of this measure is to increase the consumption of rye and to reduce the imports of wheat and wheat flour. A bill has been submitted providing for a sliding scale tariff on wheat and rye, the tariff to be increased or lowered with changes in prices. The minimum duty on wheat is now the equivalent of about 24 cents per bushel.

Sweden, with an export certificate system, is considering additional measures. In February a bill was presented to grant discretionary power to the government to require flour mills to mix a percentage of domestic with imported wheat, and also to require the mixing of imported and domestic flour. The bill further provided appropriations for cooperative storage houses and credit for purchasing grain. The import duty is about 27 cents per bushel. It is also proposed to increase the duties on wheat, rye and flour.

Estonia is considering a plan for improving the position of her bread grain producers. According to a report from Consul Carlson of Tallinn, Estonia, dated April 7, 1930, "the Department of Agriculture has prepared a bill covering this matter, which is soon to be presented to the Government for its approval. According to the terms of this bill, all persons, institutions or firms engaged in the importation of wheat, rye or flour produced therefrom will be required to purchase from Estonian farmers or cooperatives domestic wheat and rye at prices and on conditions fixed by the Government, and which bear a certain relation to the quantity of rye, wheat and flour to be imported."

Good crops of wheat and rye in Poland depressed prices. On November 16 the Polish Government introduced an export bounty of 18 cents per bushel on wheat and 17 cents on rye. Agricultural organizations formed a syndicate for exporting grain. Poland also entered into an agreement with Germany for controlling rye exports, so as to prevent each country from dumping into the other.

During the past six years Italy has been engaged in an active campaign to increase wheat production and reduce her dependence upon foreign countries. The large crop of the past year undoubtedly was due in some measure, however, to favorable climatic conditions. Producers have not only been encouraged by the government to produce more, but the domestic markets have been protected by high import duties. A year ago in May, when wheat prices were very low, Italy increased her import duty from about 58 to 73½ cents per bushel, and the duty on flour was raised proportionately.

The Swiss Government has undertaken to reduce her dependence on foreign bread supplies. By referendum, March 3, 1929, a Federal Grain Board was established on a permanent basis. The purpose of the organization is primarily to encourage the production of grain in Switzerland, but also to maintain adequate supplies of foreign grain without unduly increasing the cost to the consumer. It is estimated that the money cost to the Federation for the payment of bonuses over the world market price, the milling bounty, and a reduction in freight rates, together with storage costs on warehoused grain, will approximate three million dollars per year.

France has undertaken to maintain domestic production and domestic prices by a high duty limiting the use of foreign wheat and by encouraging exports. In May a year ago the duty was raised from 37 to 53 cents per bushel. In December it was decreed that only 3 per cent of foreign wheat should be mixed with domestic wheat in the manufacture of flour for ordinary purposes. Appropriations have been made to refund duties on wheat or flour exported against imports of foreign wheat or flour. On April 25 the French Chamber of Deputies approved an appropriation amounting to nearly \$4,000,000 to permit the export of about 7 million bushels of wheat in addition to 17 millions provided for previously.

Various export promoting measures are being considered or undertaken in the Danubian countries. Mr. Dawson, Assistant Agricultural Commissioner at Berlin, reports that Rumania intends to reduce her export duties. Yugoslavia will open a Central Export Institute and continue preferential freight rates. Hungary has made a deal with Italy favorable to exporting to that country.

The Russian Government is in a position to dump wheat on the world markets whether or not that country has an actual surplus of wheat. Since the Russian wheat crop of 1929 was estimated to be less than that of 1928 when no wheat was exported, it might be assumed that Russia had no exportable

surplus. However, some wheat has been exported. The exports are apparently due to the fact that the government has been unusually successful in its grain collection program and to a more favorable distribution of the export crop. Large crops of other grains were harvested and the country seems to be in need of making foreign sales to improve its exchange position for purchasing goods in other countries.

Government protection and government aid are not limited to European countries. For the first time in its history, the Union of South Africa produced a crop about sufficient for domestic requirements. In March the Governor-General of the Union agreed to a wheat importation restriction act.

New Zealand put into effect in 1927 a sliding-scale import duty on wheat. It was declared to be the policy of the government that New Zealand should if possible grow sufficient wheat for its own requirements, and thus be independent of outside supplies.

Australia is discussing a compulsory wheat pool. Most of the state governments have approved the federal government's proposal for the marketing of Australian wheat by setting up a marketing pool with pools in each state under one big Commonwealth Board. The federal government proposes to guarantee a price of about 96 cents a bushel for wheat delivered at country railway sidings during the next year.

Table 11.--WHEAT: Import duties per bushel in foreign countries a/

Country	Duty in United States currency <u>b/</u>
	Cents
Austria	11.03
Belgium	<u>c/</u> Free
Canada:	
General (From United States)	12.00
Preferential (British Empire)	8.00
Czechoslovakia:	
Maximum	48.34
Minimum <u>d/</u>	<u>d/</u> 24.17
Denmark	Free
France	53.81
Germany	97.24
Greece:	
Conventional rate	<u>e/</u> 22.59
Italy	73.54
Japan	<u>e/</u> 33.92
Netherlands	Free
Norway	Free
Poland	<u>e/</u> 33.59
Portugal	<u>h/</u>
Spain:	
First tariff	220.61
Second tariff	<u>i/</u> 73.537
Sweden	<u>f/</u> 26.99
United Kingdom	Free

a/ Bushels of 60 pounds. b/ Foreign currency converted at par rate of exchange except as otherwise stated. c/ Import license required. d/ Imports from the United States enjoy minimum rate, which is extended to countries having a most favored nation treaty with Czechoslovakia. e/ Duty stated in metallic drachmas, but payable in stabilized paper drachmas at the ratio of 15 paper drachmas to 1 metallic drachma. In addition to the duty, there are surtaxes amounting to three fourths of basic duty, payable at the same ratio. f/ Conversion to United States currency made on the basis of the rate of exchange prevailing on July 17, 1929. g/ Free of duty under special permit. h/ Wheat may be imported only by authority of special decrees, which also fix the rates of duty. i/ Applies to imports from the United States. Surtax on wheat 7 gold pesetas per 100 kilos (equivalent to 36.77¢ per bushel). Duties are paid one fourth in gold and the remainder in silver or Bank-notes, plus gold surtax varying periodically.

The Oriental situation

Oriental takings of American wheat and flour have been much less during recent months than they were a year ago. The situation is apparently largely due to the fall in the price of silver which is the monetary unit of China. Other conditions have contributed, for example the decline of silk prices which has greatly affected the Japanese situation.

The Japanese wheat market continues weak, with poor export demand for Japanese flour. The situation does not promise any considerable improvement in the demand for imports of wheat and flour in the near future. Stocks of wheat, however, are now about normal.

Reports from Hongkong, Shanghai, and Tientsin all indicate that the import trade in wheat and flour has been dull. Hongkong reports complain that flour orders placed by South China merchants fell off abruptly after the sharp drop in silver exchange and that orders now being placed are less than half those of a year ago. Flour stocks, which at times in the past year have been exceptionally high, have now been reduced to normal levels. South China merchants are said to be unable to pay the premium for the better quality imported flour at Hongkong and have turned to the poorer flours which they can buy more advantageously from Shanghai merchants.

From Shanghai, however, come complaints that the market is not strong, due to light demand from North and South China ports. Flour milling operations have recently been still further reduced by small arrivals and stocks of old wheat, and mills are awaiting the new crop in the lower Yangtze valley. Flour stocks as well as wheat stocks are small.

At Tientsin, despite curtailed production of local mills due to the exhaustion of stocks of locally grown wheat, very few orders have been given for Canadian and American flour because of the uncertain and unfavorable level of exchange. Stocks of flour are below normal and declining. Japanese flour milled from low grade United States and Canadian wheat has been underselling American flours and constitutes a principal item in flour supplies.

The Continental European wheat market situation during April 1930 a/

Activity in continental wheat markets increased in the early part of April with an upward price tendency, and slackened with the decline of prices in the latter part of the month. The main influences responsible for these changes were prospects of new farm relief measures in Germany and other central European countries the first part of the month and reports of dry weather in the United States. During the latter part imminent increases in duties ceased to be a factor and beneficial rains in America brought about a weakening tendency.

Europe still has important requirements to fill, and stocks with exception of France are not considered heavy, but crop reports have continued favorable and world prices have showed no decided upward movement and consequently buyers have continued reluctant to make large commitments. Serious reduction in next season's crop prospects would bring about a decided revival of buyings the last part of this season or early in the next season. Crops in a few weeks will be in a critical stage of growth and more attention than usual will be centered on developments at that time.

The price movement in Germany during the past month was quite pronounced and was governed largely by the prospective increase in duty rates which took place during that period. Wheat prices rose from \$1.49 per bushel on February 23, and \$1.66 on March 31 to \$1.72 on April 15 and \$1.80 on April 26, the day following the date when the new duty in Germany became effective. It is interesting to note that the recent increases in the German wheat duty (by 19½ cents in February, 16 cents in March and 19½ cents in April, or a total increase of 55 cents per bushel) was accompanied by a raise of the German wheat prices relative to world market prices to the extent of the increase in duties.

Date	Berlin, above Chicago	German Duty
	<u>Cents per bushel</u>	<u>Cents per bushel</u>
Jan. 10	31	42
May 2	<u>86</u>	<u>97</u>
Increase	55	55

Price spreads between the Continent and Chicago during April outside of Germany increased so that continental wheat excepting French wheat, became relatively dearer in comparison with American wheat.

a/ By Assistant Agricultural Commissioner Owen L. Dawson, Berlin, Germany, April 29, 1930. Supplemented by cable May 10.

Table 12.—Price spread per bushel, Chicago - Europe a/

Date	: <u>BERLIN</u> :	: <u>PARIS</u> :	: <u>GENOA</u> :	: <u>VINNA</u> :	: <u>HUNGARY</u>
	: "Markischer" :	: Domestic :	: Domestic :	: "Vienna" :	: "Tisza"
	: wheat :	: wheat nearest :	: wheat nearest :	: Boden" :	: wheat
	: spot :	: month :	: month :	: spot :	: 79/80 kg spot
<hr/>					
:1928-29:1929-30:1928-29:1929-30:1928-29:1929-30:1929-30:1929-30					
<hr/>					
	: <u>Cents</u> :	: <u>Cents</u> :	: <u>Cents</u> :	: <u>Cents</u> :	: <u>Cents</u> :
	: :	: :	: :	: :	: :
Sept. 6	: + 30 :	: + 18 :	: + 54 :	: + 22 :	: + 23 : - 13 :
Dec. 6	: + 19 :	: + 31 :	: + 48 :	: + 25 :	: + 6 : - 6 :
Jan. 10	: + 18 :	: + 31 :	: + 48 :	: + 21 :	: + 14 : + 1 :
Jan. 31	: + 16 :	: + 40 :	: + 44 :	: + 26 :	: + 9 : + 9 :
Feb. 23	: + 19 :	: + 39 :	: + 46 :	: + 32 :	: + 8 : + 4 :
Mar. 31	: + 28 :	: + 57 :	: + 40 :	: + 33 :	: + 13 : + 4 :
Apr. 15	: + 23 :	: + 64 :	: + 44 :	: + 34 :	: + 7 : + 5 :
Apr. 25	: + 53 :	: + 77 :	: + 51 :	: + 31 :	: + 14 : + 7 :
May 6	: + 34 :	: + 86 :	: + 54 :	: + 28 :	: + 15 : + 10 :

a/ Above (+) or below (-) Chicago.

Table 13.—WHEAT: European price per bushel

	:	<u>BERLIN</u>	:	<u>PARIS</u>	:	<u>GENOA</u>	:	<u>VIENNA</u>	:	<u>HUNGARY</u>
	:		:		:		:	"Vienna	:	"Tisza"
	:	"Markischer"	:	Domestic	:	2 Domestic	:	Boden"	:	Wheat
Date	:	Wheat	:	Wheat nearest	:	Wheat nearest	:	Wheat	:	79/80 kg
	:	spot	:	month	:	month	:	spot	:	spot
<hr/>										
	:	1928-29:	:	1929-30:	:	1928-29:	:	1929-30:	:	1929-30
<hr/>										
	:	<u>Cents</u>	:	<u>Cents</u>	:	<u>Cents</u>	:	<u>Cents</u>	:	<u>Cents</u>
	:		:		:		:		:	
Sept. 6	:	139	:	150	:	163	:	154	:	133
Dec. 6	:	154	:	158	:	163	:	141	:	122
Jan. 10	:	134	:	160	:	165	:	150	:	130
Jan. 31	:	140	:	155	:	166	:	142	:	133
Feb. 28	:	142	:	149	:	169	:	142	:	131
Mar. 31	:	145	:	166	:	167	:	141	:	129
Apr. 15	:	145	:	172	:	167	:	142	:	130
Apr. 25	:	147	:	180	:	165	:	135	:	128
May 6	:	146	:	186	:	165	:	128	:	126

Small arrivals at the ports and limited farm offerings recently have resulted in a general important reduction of visible stocks on the Continent during the period of a more active buying. There is an indication in private reports of such reductions, but the rather meager figures available on visible stocks are not conclusive. They do show, however, the important decline toward the end of March when the revival in continental buying began.

The continental wheat deficit for 1929-30 is proving to be much smaller than that of 1928-29 due to decreased consumption, especially for livestock and to some extent for human food as well. It also appears at the present time that some of the deficit for the year will be made up from continental stocks rather than imports, unless there is a decided revival in buying during the closing weeks of the campaign. In Poland and Czechoslovakia there have been increases in estimates of 1929 crops since our last report, but it does not appear at this time that increases in other countries beyond what we have already allowed for will be of great importance.

Country	Jan. estimates of wheat crop	New estimates
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
Poland	60,259	65,771
Czechoslovakia	48,065	52,902

Considering the new factors such as protective measures, price relationships of wheat to other grains, imports to date and new crop developments, we now estimate the 1929-30 deficit of the Continent about 1/3 below 1928-29 i.e. 257,000,000 bushels as compared with 386,000,000 bushels in 1928-29.

Continental wheat imports for July 1 to March 15 have reached only 4,593,000 bushels per week as compared with 6,834,000 bushels during the same period last season. If the estimated deficit of 257,000,000 bushels is to be covered, weekly imports from March 15 to June 30 will have to average 5,916,000 bushels as compared with 9,186,000 last year.

Table 14.--WHEAT: Average weekly net imports into the Continent of Europe

Season	1928-29	1929-30
	<u>1,000</u>	<u>1,000</u>
	<u>bushels</u>	<u>bushels</u>
Estimate July 1 - June 30	7,496	4,997
July 1 - Nov. 15	6,614	5,107
Nov. 15 - Dec. 15	11,758	3,783
Dec. 15 - Jan. 15	7,716	6,430
Jan. 15 - Feb. 15	4,997	4,005
Feb. 15 - Mar. 15	4,446	2,352
Mar. 15 - June 30	9,186	5,916

The opinion is quite general in the continental trade that crop conditions from now on will be the outstanding factor affecting the extent of actual imports to the Continent. Adverse crop prospects during the coming important period may cause much greater importation than now assumed, and continuance of the present fairly favorable prospects, particularly on the Continent itself, will make the present estimate sufficiently high. The wheat and flour stock situation on the Continent, so far as can be judged from rather meager statistics available, seems to show that the small importation estimated for the remainder of the campaign, in the event of a favorable crop outlook, is possible, although in that event, stocks carried over into the next season would be materially lighter than a year ago. On the other hand the stock situation at present is such as to stimulate buying in case of unfavorable crop reports on the Continent or in important surplus countries elsewhere.

Wheat stocks on the Continent

While data are very incomplete the following considerations and information have some importance.

Private reports indicate that the stocks of domestic wheat are small in Italy, Czechoslovakia, Austria and the Danubian surplus countries while Germany's supplies are less than a year ago and France considerably above. German supplies of all wheat at the present moment, though considerably reduced during February and March, are yet sufficient to cover requirements with relatively small importation during the remainder of the campaign. Exports from France will be nearly equivalent to imports for the remainder of the year and according to our estimate of the crop and net imports for the season, a larger amount will be carried over into the next crop year than the rather important stocks of a year ago.

Table 15.--WHEAT: Stocks end of March or middle of April

Position	1929	1930
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
Antwerp	1,700	1,400
Rotterdam	2,200	660
Berlin	1,400	900
German farm (available for sale)	14,600	12,400
Hungarian warehouses	2,900	2,600

Crop prospects

Information on crops to date for the Continent for both winter and spring grains indicates fairly favorable prospects. Spring sowing on the Continent has been mostly completed under satisfactory conditions. The condition of wheat in France, except for the North, has suffered some because of too much humidity with a consequent fear of rust and lodging. The wheat is also off color in places and it is the general opinion that the condition of the crop is below last year. Dry clear weather is needed in May.

Germany's wheat sowings appear in satisfactory condition but the moisture supply in much of the wheat area is below normal, and weather in May will be very important in the development of the crop. Italy reports very good conditions in the North, and medium to good conditions elsewhere. Spain reports a promising outlook for wheat. Crop prospects in the Danubian areas are likewise fairly good. April rains improved conditions. Lack of moisture is, however, still reported from sections, especially eastern Rumania. Seasonal rainfall and temperatures will be especially important during the coming weeks. In general the crop to date is considerably more advanced than a year ago, especially in Southern areas.

Feed grain markets

The market for feed grains was quite active during the first half of April with prices increased above March levels. The demand for feed grains on the part of England and other European countries showed some improvement during the latter part of March and the first half of April but with the increase of corn and barley shipments to the Continent, the market weakened again late in the month.

The German feed grain market is now linked up quite loosely with the world market because of very high tariffs on barley and the establishment of a corn monopoly. The German import demand for feed grain is expected to be very small in the succeeding weeks as a consequence of protective Government measures. The reduced German demand will doubtless be reflected to some extent in the world market.

Germany

The German wheat and flour market during April was considerably affected by the tariff measures of March 28 and the expected tariff measures which were later passed and became effective April 25. The wheat market strengthened during the second half of March and after a temporary weakening in early April again assumed an upward tendency in anticipation of another tariff increase. Imports dropped off after the tariff increase of March 25 but picked up again prior to the last increase on April 25. From price tendencies in Germany in comparison with other countries it appears that the increase in duties have been

effective in raising prices of grain, especially wheat. The Berlin wheat prices increased from \$1.49 per bushel on March 1 to \$1.80 on April 24, while the two increases of the tariff amounted to 36 cents per bushel. A third tariff increase to \$1.97 per bushel became effective on April 25. During the same time world wheat prices showed a slight increase. The German duty policy in connection with the obligation of the flour mills to mill at least 50 per cent domestic wheat has been a strengthening factor in the German market. This order has just been extended through May. As the present wheat tariff will remain in force during the rest of the campaign, wheat imports will continue under the extra handicap.

Rye prices also increased in April but the increase was much smaller than in the case of wheat. The rye prices in Berlin averaged \$1.02 per bushel on April 24 and wheat prices \$1.80. The following table shows the development of the German grain prices.

Table 16.--GERMANY: Price per bushel of domestic wheat and rye, March 5 - May 7, 1930

Date	Wheat			Rye
	Hamburg <u>a/</u>	Breslau <u>b/</u>	Berlin <u>c/</u>	Berlin <u>d/</u>
	Cents	Cents	Cents	Cents
Mar. 5	156	147	151	97
12	159	148	151	86
19	161	154	157	89
26	170	158	160	86
Apr. 2	178	167	171	100
9	182	167	171	100
16	180	167	173	101
23	189	175	178	101
30	193	178	185	100
May 7	194	180	185	98

a/ Wheat of any German district of at least 58.7 pounds per Winchester bushel.

b/ Wheat of any German district in carloads of 370 bushels of at least 58.7 pounds per Winchester bushel.

c/ "Markischer" wheat of 59-60 pounds per Winchester bushel.

d/ "Markischer" rye of at least 56 pounds per Winchester bushel.

Wheat imports during March were only about 1,618,000 bushels as compared with 6,035,000 bushels in February 1930 and 5,843,000 bushels in March 1929. April imports will probably show a substantial increase over the March imports as the cut off in the monthly statistics from present information seems to be

around the 20th, which make the April figures include the increase of imports the latter part of March and part of the increase in April prior to the new duty. According to our present estimate imports the remainder of the season, April 1 to June '30, will run about 14,000,000 bushels making a total of 66,000,000 bushels for the 1929-30 season. In spite of the heavy wheat duty this amount may be exceeded if any serious damage to the new crop occurs. According to some trade opinion the 1929 German crop appears underestimated, but according to our calculations on the utilization of the crop this may not be true unless imports the remainder of the season fall much shorter than now estimated. The table below assumes that 8,000,000 bushels less will be fed to stock this year, which is based on farm records for past years and a survey of the German Agricultural Council on per cent of the crop fed to date this year. The following calculation indicates some decrease in human consumption and materially reduced stocks if the present crop estimate is substantially correct and imports take place as indicated.

	<u>1928-29</u>	<u>1929-30</u>
	<u>1,000</u>	<u>1,000</u>
	<u>bushels</u>	<u>bushels</u>
Domestic crop	141,593	125,073
Seed requirements . . .	9,186	9,186
	<u>132,407</u>	<u>115,887</u>
Net imports	63,498	36,000
	<u>200,905</u>	<u>179,887</u>
Fed stock	<u>15,800</u>	<u>7,300</u>
Human consumption if no difference in stocks beginning and end of season	165,405	a/ 172,587

a/ Lower stocks at end of year will probably raise this figure, or more will be imported than we estimate.

The disappearance of wheat and rye on German farms between March 15 and April 15 was somewhat larger than a year ago and considerably larger than during the preceding months. The prospect of farm relief has caused farmers to delay their marketings of grain but the various protective measures recently enacted have apparently accelerated sales as stocks of domestic wheat have declined to a point below last year. Stocks figures of the German Agricultural Council as of April 15, 1929-30 are as follows:

Table 17.--GRAIN: Stocks on German farms

Grain	: Total farm stocks, :		: Stocks available for sale,	
	: Apr. 15 :		: Apr. 15 :	
	: 1929 :	: 1930 :	: 1929 :	: 1930 :
	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :
	: bushels :	: bushels :	: bushels :	: bushels :
Winter wheat	19,600	15,800	11,800	11,300
Spring wheat	4,000	1,660	3,000	1,100
Winter rye	70,600	79,200	32,700	41,200
Spring barley	24,400	15,400	9,800	5,100

Based on the percentage estimate of the German Agricultural Council.

Exports in February and March were quite heavy, and important transactions also took place in April, but slackened off toward the end of the month. For the remainder of the season it is probable that imports will about balance the exports. As the export figures reported officially are somewhat late in appearing we have adjusted our net import figures for the season slightly downward to allow for some reduction when the heavy export figures for March and April became available. Farm offers have been generally moderate but price declines have taken place recently due to cautious buying on the part of flour mills together with a slackening in the exports and price declines in other markets. Farm stocks in France are considered much heavier than a year ago but do not appear so burdensome as was thought probable earlier in the season. According to our present estimate of the crop, and net imports for the season, there is likely to be an important increase in stocks at the end of this season as compared with a year ago.

At the present time it is generally believed that the new crop will be somewhat shorter than last year's good crop. There are many complaints of too much humidity with the fear of rust and lodging. Dry and clear weather is now needed. Reports on the Algerian wheat crop to date are quite favorable. Prospects in Northern Tunis are good but are only medium in the central section and poor in the south. Morocco's crop may not equal last year's because of the poor weather at the beginning of the season and some grasshopper damage. In considering next year's wheat supply for France and the Colonies, although prospects at present are not bad, it is not probable that supplies will attain last year's figures.

Italy

Imports of wheat into Italy have shown a small increase but have so far failed to register any marked revival. Some quantities of Australian, French and Hungarian wheat were imported recently with only small quantities from North America.

The total imports during the period July 1929 to March 1930 were 19,000,000 bushels as compared with 63,394,000 bushels in the corresponding period of the preceding year. Trade reports indicate that stocks of domestic wheat are rather small and that some revival of the import market may take place. The fact, however, that crop reports from most parts of the country are favorable has caused the trade to be reluctant in their purchases. On the basis of present indications it appears that the total import requirements of wheat will not exceed 33,000,000 bushels. Unusual developments in the crop outlook may change this estimate. An important factor in the season this year appears to be an increased consumption of corn. Italy's corn crop and imports July-March 1929-30 exceeded those of the previous year by more than 20,000,000 bushels.

Netherlands and Belgium

Import business in Holland and Belgium was quite active during the first part of April with a firm undertone in the market being shown. Sales during the latter part of the month became slower, however, and a weaker price tendency developed with the demand generally restricted and a quieter tone prevailing. April 15 stocks at Rotterdam were much smaller than on March 15.

Port stocks at Antwerp on March 31 were somewhat higher than in February but remained much smaller than in the last quarter of 1929.

Danube Basin

The wheat market in the Danube deficit countries, Czechoslovakia and Austria, showed some increased activity during the first part of April which is largely attributed to plans for an increase in grain import duties. Flour sales, however, remained limited. Wheat purchases during the latter part of the month showed a falling off when the Easter holidays contributed to the lack of buying interest. It was also said that the trade hesitancy was caused to a considerable extent by uncertainty as to what agrarian measures will be taken in Czechoslovakia and Austria and when, if taken, they may become effective. Stocks of wheat were thought to be small in Czechoslovakia and at least not burdensome in Austria, while flour stocks were more plentiful in both countries. The situation in the surplus countries of the Danube Basin is becoming less important as the season draws to a close. Yugoslavia appears to have very little more to export, Rumania's wheat exports this year are insignificant in any event, and Hungary's remaining surplus is small. Hungary's total surplus for the current season, however, is doubtless higher than previously estimated, and some exports took place during March and April, chiefly to Italy. Recent negotiations between Rome and Budapest are said to have resulted in an understanding, that Hungarian wheat exports to Italy from now on (1930-31) should be promoted in every way possible. Hungary seems to have secured in this way some advantage which is particularly important in view of prospective difficulties with exports to the increasingly protected German market.

Price movements in the Danube surplus areas during the first part of April showed some stimulation as the result of improved demand from Austria and Czechoslovakia.

Poland

Wheat and rye prices showed some increase after the middle of March, in connection with a decline of farm offers. Some market observers attribute this decline of marketings to the occupation of farmers in the spring sowing campaign and believe that increased offers can be expected before the season closes. Stocks in the country are comparatively small and therefore a further rise in prices, which are still lower than world market prices, is likely to occur. The official estimate of the 1929 crop of both rye and wheat was raised recently. The rise in the estimate of the wheat crop at least tends to confirm a low estimate for this year's import requirements. Prospects for the new crop to date are also reported favorable.

Russia

The movement of Russian grain to South Russian ports during the second half of March and up to April 23 totaled about 125,700 short tons of which nearly half was wheat. Total shipments of the five chief grains from the Southern Russian ports since the beginning of the campaign up to April 23 amounted to 769,000 short tons distributed as follows:

Shipments from Southern Russian ports to April 23, 1930

<u>Grain</u>	<u>1,000 busncls</u>
Wheat	4,225
Barley	23,516
Rye	1,339
Oats	827
Corn	984

Changes in organization of Russian agriculture taking place this year, chiefly because of the increased movement of peasants into collective farms, will no doubt, be reflected in the outturn of the sowing campaign, although the government has made strenuous efforts to carry through the reorganization as smoothly as possible. The large movement into the collectives had so threatened the arrangements of the government's plans and made them fear that they could not handle the situation that a stipulation was made checking the rapid movement. Many difficulties have resulted, however, from peasants moving out of the collectives into which they were previously driven involuntarily. Cases have occurred where the peasants leaving the collectives did not receive their seed and cattle which they had passed over to the collective farms at the time of their entry, and as a result they were unable to start sowing, and in other instances allotting of land was delayed, thus preventing peasants from beginning field work. It seems that such cases were rather frequent and had an important effect on the spring sowing campaign. In many instances local organs and managers of the collective farms were completely at a loss as to how to carry on the work under the new arrangement and were unable to work out a solution of the problem. At the same time the new stipulations of the government and tax reductions granted to the collective farms as inducement toward their formation were being discussed and explained to the peasants with a resulting increase in the movement into collectives, thus aggravating the already unfavorable situation.

Moisture supplies are reported very deficient in important sections of the lower Volga. Middle Volga and in the eastern part of the Central Black Soil Region as well as in some parts of the eastern region although reports early in May mentioned rain. The most important and most frequently mentioned difficulties in the spring sowing campaign are shortage of draft cattle and feed stuffs, shortage of agricultural implements and, recently, shortage of

gasoline for tractors. Poor preparatory work of the local organs, such as timely explanation of the new statutes of the collective farms, propaganda toward an increase of acreage of individual peasants and extension of production help to them in cases of necessity, were also claimed as causes of slow progress in the sowing campaign. It is still uncertain how the individual peasants, operating about 45 to 50 per cent of all farms in Russia, will carry through this year's campaign. The necessity of bringing about an increase of their acreage was strongly encouraged by the government but the peasants seem to show an inclination to sow only for their own needs. It is difficult to say how pronounced this tendency is. It is reported that the government is, in some cases, requiring the workers on Soviet farms as well as the collective farms, who have completed their sowing to help the individual peasants with their spring work. At the same time a recent stipulation of the government granted exemption from taxation to all acreage sown by individual peasants surpassing that of 1929. The acreage seeded to spring wheat up to May 1 was 29,400,000 acres or only about half the "plan". In the Ukraine, however, the "plan" was fully executed and the acreage exceeds the acreage of last year by 11 per cent.

At the present time there are no statements of any large amount of winter kill in any region except the southeastern section of the Ural-region where winter kill reaches 50 per cent in some instances and averages about 25 per cent and more on the whole. The mention of some winter kill without any definite statements as to the extent was also made for the Central Black Soil region, parts of the Leningrad region and Siberia, with some uncertainty existing as to the extent of winter kill in the Volga regions and Ukraine. These regions (Ural, Siberia, and Central Black Soil) where considerable winter kill was observed this year are predominately winter rye regions. Crop conditions in Ukraine, except in the extreme east and north Caucasus, two very important winter wheat regions, are reported somewhat above average with certain localities showing even better conditions.

Pernambuco as a wheat flour market

Brazil is one of the important markets for flour from the United States. The flour import of that country in the past three years has been equivalent on the average to a little more than 30 million bushels of wheat, and a considerable part of this import is wheat flour from the United States. Consul Nathaniel P. Davis of Pernambuco contributes an interesting report upon the market area of that port. According to the Consul, Pernambuco ranks third among the ports of Brazil as an importer of wheat flour. He estimates the population of the market area served by the port at about 1,600,000. The standard of living of the upper class of the population compares favorably with that in the United States or Europe, but this class is relatively small. People living in rural communities and the wage earning classes in the cities have a low standard of living. In the city practically no bread is baked at home. The standard loaf of baker's bread (175 gr.) costs something over 2 cents. Laborers buy this bread in relatively small quantities, their chief diet being black beans, dried beef, and dried cod-fish. In the country districts wheat bread is seldom seen on the tables of the poor, a sort of pancake made from mandioca flour taking its place to a large extent. These pancakes are home baked.

Living standards are rising, but very slowly, and while it is probable that the greater use of baker's bread will spread among the laboring classes, this development is certain to be so slow as to be almost imperceptible. Expansion of the flour market is to be looked for rather in the steady increase in population than in improved living conditions.

There is only one wheat flour mill operating in the area. This mill grinds Argentine wheat almost entirely. Occasionally small shipments of wheat are received from the United States when world market prices favor the American grain. The capacity of the mill is not far from 500 American barrels daily. From receipts it is estimated that the mill is operating at only about one-fourth to one-fifth capacity. This mill falls far short of satisfying local demand and the deficiency is made up almost entirely by flour imports. Relatively small shipments from mills in Southern Brazil exert practically no influence on market conditions.

During the past five years imports of wheat flour through the port of Recife have been as follows:

Wheat flour: Imports into Recife, Pernambuco

<u>Year</u>	<u>Bags ^{a/}</u>
1924	414,938
1925	372,253
1926	213,398
1927	399,909
1928	495,269

^{a/} Bags of 44 kilos, or 97 pounds.

In 1928 approximately ninety per cent of the flour imports came from the United States, eight and a fraction from Argentina, and the remainder from Canada. It is safe to assume that ordinarily fully ninety-five per cent comes from the United States and most of the remainder from Argentina, with only a few isolated shipments from Canada via New York. In December, 1928, unusually large shipments were received from Argentina owing to the considerably lower price asked for Argentine flour at that time and unusually large stocks on hand at the Argentine mills. This situation continued through the first part of 1929, up to the time of writing (April 10, 1929).

Estimating the 1928 production of the local mill at 60,000 bags, total consumption in the Recife district in that year appears as approximately 555,000 bags, or about $33\frac{1}{2}$ pounds per capita.

Local preferences

Few of the bakers in Recife, and still fewer in the country districts, are able to distinguish between a strong or a weak flour with any degree of accuracy, yet most of them express a decided preference for one brand or another. These preferences, it is believed, are largely a matter of habit. One baker, for instance, has used a certain brand for several years with satisfactory results. He is convinced that this brand is the best, and it is extremely hard to sell him a rival brand unless there is a material difference in price.

There is one peculiarity in the situation which it is understood exists to a greater or less extent in some other parts of Brazil as well. This is that the bakers maintain that American flour used by itself does not give satisfactory results because of its "low grade". The writer has never been able to obtain a satisfactory explanation of what is meant by this, but the fact remains that the belief is firmly implanted in most of the bakers. They state that Argentine flour, or the product of the local mill ground from Argentine wheat, is of a "higher grade". In fact many bakers, without being able to explain their meaning clearly, will tell the inquirer that the Argentine flour is too "high grade" to be used by itself. It is therefore the general custom in Recife to mix the two, half and half, or 40 per cent Argentine with 60 per cent American. In the country districts this is not so common, owing probably to the better distribution of American flour and the greater quantities available. Cracker bakers, both in city and country, use American wheat or flour exclusively. The same is true of macaroni manufacturers.

About the only test applied by the average baker to flour is that of color. A white flour is good, one slightly darker is not so good. One American salesman recently proved conclusively to a baker that he actually got more bread and of equal quality from his slightly darker flour, than from the brand he had been using. The baker had to accept demonstrated facts, yet remained unconvinced. Whatever the logic of such a situation may be, the belief in color as a test of quality is a factor which the seller must take into account.

Baking methods

The baker's art in Pernambuco is a simple one. The formula used is one liter of fluid yeast to 75 kilograms of flour, with three quarters of a kilogram of salt added and enough water to bring the dough to the desired consistency. The dough is prepared in the following manner: The fluid yeast is mixed with a few kilograms of flour and allowed to ferment for five hours. This mass is then mixed with ten kilograms of flour and some water and allowed to ferment for another five hours. The rest of the flour and water are then added, the whole mixed thoroughly by hand, and the salt added. After this has again set for five hours it is cut into loaves and hearth baked. The final product is French and Vienna bread and rolls and dough breaks.

Flour prices in the Pernambuco market follow the market in the country of origin. When flour milled from hard spring wheat sells in New York below Southwestern the same is true in Pernambuco, and when Argentine flour undersells all American flours on the world market, it does so in Pernambuco as well.

The average cost of clearing a bag of flour (97 or 98 pounds) through the Customs House, as of April 10, 1929, was about 60 cents United States currency, distributed as follows:

	<u>Cents</u>
Import duty	41
Port improvements	
tax	12
Miscellaneous	<u>7</u>
Total	60

These charges, of course, vary from time to time and are affected by changes in the rate of exchange, or rate of gold to Brazilian paper currency.

Table 18.--WHEAT: Inspected receipts, all United States inspection points, by classes, July-March, 1928-29 and 1929-30

Class	: 1929	: 1930	: 1928-29	: 1929-30
	: Mar.	: Mar.	: July-Mar.	: July-Mar.
	: <u>Cars</u>	: <u>Cars</u>	: <u>Cars</u>	: <u>Cars</u>
Hard red spring	: 9,246	: 4,662	: 145,148	: 65,157
Durum	: 3,463	: 1,782	: 47,794	: 21,365
Hard red winter	: 15,702	: 8,289	: 300,352	: 309,409
Soft red winter	: 1,145	: 1,497	: 29,619	: 39,464
White	: 2,158	: 1,473	: 27,221	: 25,761
Mixed	: 2,923	: 2,058	: 45,007	: 53,275
Total	: 34,637	: 19,741	: 595,141	: 512,431

Table 19.--WHEAT: Inspections of United States grain exports, July-January, 1928-29 and 1929-30

Class	: 1929	: 1930	: 1928-29	: 1929-30
	: Jan.	: Jan.	: July-Jan.	: July-Jan.
	: 1,000	: 1,000	: 1,000	: 1,000
	: <u>bushels</u>	: <u>bushels</u>	: <u>bushels</u>	: <u>bushels</u>
Hard red spring	: 172	: 158	: 1,258	: 791
Durum -				
U.S.Ocean ports	: 23	: 16	: 888	: 322
Canadian inspections of:				
"U.S. Grain"	: 1,162	: 171	: 15,654	: 2,586
Total U.S. durum	: 1,185	: 187	: 16,542	: 2,908
Hard red winter	: 1,845	: 4,636	: 25,636	: 36,166
Soft red winter	: 210	: 42	: 1,652	: 2,162
White	: 657	: 2,139	: 9,850	: 12,571
Mixed	: 158	: ---	: 943	: 533
Total	: 2,007	: 7,161	: 56,461	: 56,751

Table 20.--WHEAT, INCLUDING FLOUR: Shipments from principal exporting countries

Country	:Total shipments: : or exports :					Shipments, week ending:		Net movement from July to and includ- ing May 5	
	:1927-28:	:1928-29:	:Apr. 19:	:Apr. 26:	:May 5 :	:1928-29 :	:1929-30		
	: <u>a/</u>								
	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :		
	: bushels:	: bushels:	: bushels:	: bushels:	: bushels:	: bushels:	: bushels :		
North America <u>b/</u>	: 452,425:	: 499,942:	: 4,183 :	: 3,902 :	: 5,912 :	: 432,194 :	: 245,538		
Canada 4 mnts. <u>c/</u>	: 533,355:	: 458,649:	: 874 :	: 1,469 :	: 3,521 :	: 412,371 :	: 2146,970		
United States.....	: 206,259:	: 163,687:	: 1,442 :	: 1,175 :	: 1,747 :	: 121,051 :	: 119,309		
Argentina.....	: 178,135:	: 217,159:	: 1,693 :	: 1,600 :	: 1,565 :	: 171,805 :	: 146,115		
Australia.....	: 72,962:	: 107,937:	: 1,248 :	: 390 :	: 1,536 :	: 102,145 :	: 52,591		
Russia.....	: 5,408:	: 8:	: 128 :	: 0 :	: 312 :	: 8 :	: 4,544		
Danube & Bulg. <u>d/</u>	: 32,847:	: 33,842:	: 40 :	: 128 :	: 120 :	: 2,544 :	: 17,632		
British India.....	: 15,668:	: <u>e/</u> 21,729:	: 0 :	: 0 :	: 0 :	: <u>e/</u> 19,725 :	: <u>e/</u> 2,432		
Total <u>f/</u>	: 757,445:	: 837,139:	: 7,295 :	: 6,020 :	: 9,445 :	: 688,971 :	: 463,988		
Total European	: :	: :	: :	: :	: :	: :	: :		
shipments <u>g/</u>	: :	: :	: 9,760 :	: 6,576 :	: --- :	: 577,820 :	: 399,056		
Total ex-European:	: :	: :	: :	: :	: :	: :	: :		
shipments <u>g/</u>	: :	: :	: 2,208 :	: 2,376 :	: --- :	: 183,632 :	: 121,672		

Compiled from official and trade sources.

a/ Preliminary.b/ Bradstreet's, weeks ending Thursday, including flour converted at 4.5 bushels per barrel.c/ Fort William, Port Arthur, Vancouver and Prince Rupert.d/ Hungary, Yugoslavia, Rumania and Bulgaria.e/ Net imports.f/ Total of trade figures including North America as reported by Bradstreets.g/ Totals as reported by Broomhall's Corn Trade News.

Table 21.--WHEAT: Acreage, production, exports and prices, by classes, 1923-1930

Year	Acreage winter wheat			Production <u>a/</u>				Exports <u>b/</u>			Prices <u>c/</u>	
	Seeded	Percent-	Remain-	Total	Hard	Soft	White	Hard	Soft	White	No. 2	No. 1
	preced-	age	ing for	win-	red	red		red	red		hard	red
	ing	aban-	harvest	ter	win-	win-		win-	win-		win-	win-
	fall	domment			ter	ter		ter	ter		ter	ter
	Million	Per	Million	lion	lion	lion	lion	lion	lion	lion	Cents	Cent
	acres	cent	acres	bush.	bush.	bush.	bush.	bush.	bush.	bush.		
1923:	46,091:	14.3	39,508:	572	241	272	102	27	11	20	105	107
1924:	38,916:	8.4	35,656:	592	365	189	52	121	8	11	135	159
1925:	39,951:	21.5	31,346:	402	206	170	80	10	2	19	163	169
1926:	39,887:	7.3	36,987:	627	360	229	73	73	51	28	135	158
1927:	43,373:	13.0	57,723:	553	317	181	95	65	14	30	135	149
1928:	47,505:	23.5	36,207:	579	385	139	86	58	3	15	112	139
1929: <u>d/</u>	42,820: <u>d/</u>	6.5	<u>d/</u> 40,162:	578	342	191	80					
1930: <u>d/</u>	43,434: <u>d/</u>	11.0	<u>d/</u> 38,676:	525	323	165	<u>e/</u> 37					

a/ Estimates of production by classes are based on surveys of the percentage of different varieties of wheat grown, supplemented by investigations and judgment of cereal specialists.

b/ Total as reported by the Department of Commerce. Distribution by classes made on basis of United States inspections for export by ports and inspections of United States wheat in the Eastern Division of Canada.

c/ Compiled by Division of Statistical and Historical Research. Prices are average cash price per bushel weighted by car-lot sales.

d/ Data as of May 1, 1930 crop report.

e/ Winter wheat only; previous years included spring wheat also.

Table 22.--BREAD GRAINS: Winter acreage in specified countries,
average 1909-1913, annual 1927-1930

Crop and countries reporting	Harvest year				
	Average : 1909-1913:	1927	1928	1929	1930
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
WHEAT	: <u>acres</u>	: <u>acres</u>	: <u>acres</u>	: <u>acres</u>	: <u>acres</u>
United States	: 28,362	: 37,723	: 36,213	: 40,162	: 38,676
Canada	: <u>a/</u> 1,019	: 853	: 819	: 834	: 636
Total	: 29,401	: 38,576	: 37,032	: 40,996	: 39,312
France	: 16,500	: 12,976	: 12,802	: 12,673	: 12,608
Spain	: 9,547	: 10,826	: 10,479	: 10,478	: 10,531
Italy	: 11,793	: 12,295	: 12,263	: 11,802	: 11,752
Czechoslovakia	: 1,718	: 1,855	: 1,871	: 2,023	: 2,112
Bulgaria	: 2,409	: 2,633	: 2,782	: 2,590	: 2,875
Rumania	: <u>a/</u> 9,515	: 7,017	: 7,281	: 7,452	: 6,753
Poland	: 3,343	: 2,599	: 3,302	: 3,340	: 3,550
Lithuania	: 211	: 173	: 272	: 346	: 405
Latvia	: 85	: 106	: 120	: 96	: 120
Finland	: 8	: 27	: 26	: 27	: 30
Total Europe (10)	: 55,129	: 50,507	: 51,198	: 50,837	: 50,716
Morocco	: (1,700)	: 2,504	: 2,665	: 2,843	: 2,757
Algeria	: 3,521	: 3,469	: 3,656	: 3,722	: 3,608
Tunis	: 1,310	: 1,377	: 2,011	: 1,730	: 1,730
Total Africa (3)	: 6,531	: 7,150	: 8,332	: 8,295	: 8,095
Syria and Lebanon	: (900)	: 1,224	: 1,024	: 899	: 1,076
India	: 29,224	: 30,952	: 31,678	: 31,504	: 30,468
Total Asia (2)	: 30,124	: 32,176	: 32,702	: 32,403	: 31,544
Total above coun. (17)	: 121,185	: 128,409	: 129,264	: 132,531	: 129,667
RYE	:	:	:	:	:
United States	: 2,256	: 3,648	: 3,460	: 3,225	: 3,521
Canada	: 117	: 568	: 599	: 664	: 765
Total	: 2,353	: 4,216	: 4,079	: 3,889	: 4,286
France	: 3,095	: 1,921	: 1,900	: 1,936	: 1,909
Spain	: 1,988	: 1,818	: 1,384	: 1,633	: 1,446
Czechoslovakia	: 2,605	: 2,460	: 2,467	: 2,690	: 2,676
Bulgaria	: 542	: 428	: 458	: 492	: 541
Rumania	: <u>a/</u> 1,286	: 638	: 637	: 723	: 888
Poland	: 12,570	: 12,008	: 14,652	: 14,975	: 14,701
Lithuania	: 1,749	: 1,240	: 1,161	: 1,113	: 1,196
Latvia	: 886	: 627	: 651	: 581	: 631
Finland	: 569	: 563	: 563	: 563	: 556
Total (9)	: 25,512	: 21,703	: 23,873	: 24,706	: 24,544
Total above coun. (11)	: 27,665	: 25,919	: 27,952	: 28,595	: 28,830

a/ Four-year average.

Table 25.--WHEAT: Production, average, 1909-1913,
1923-1927, annual 1928-1929

Country	Average 1909-1913	Average 1923-1927	1928	1929
NORTH AMERICA	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
United States	690,108	809,668	914,876	806,508
Canada	197,119	403,714	536,726	299,520
Mexico	a/ 11,461	11,090	11,031	11,353
Guatemala	(200)	201	167	152
Total	898,908	1,224,673	1,492,800	1,117,513
EUROPE				
England and Wales	55,770	52,057	47,264	47,460
Scotland	2,275	2,137	2,315	2,165
Northern Ireland	287	191	183	142
Irish Free State	1,510	1,111	1,186	1,184
Norway	306	552	793	729
Sweden	8,103	11,727	19,155	19,051
Denmark	6,322	8,529	12,214	11,721
Netherlands	4,976	5,646	7,336	4,666
Belgium	15,199	13,988	17,215	15,225
Luxembourg	615	498	713	305
France	525,644	278,997	281,285	319,863
Spain	130,446	146,581	119,985	154,249
Portugal	b/ 11,850	11,250	7,546	11,110
Italy	184,393	210,456	228,596	260,669
Malta	196	279	289	293
Switzerland	3,314	3,766	4,270	5,791
Germany	131,274	105,962	141,593	125,073
Austria	12,813	9,890	12,915	11,582
Czechoslovakia	37,879	57,821	51,499	52,902
Hungary	71,493	68,558	99,211	71,853
Yugoslavia	62,024	65,096	103,294	94,998
Greece	b/ 16,273	10,620	15,085	8,502
Bulgaria	37,823	34,771	49,153	34,448
Rumania	a/ 136,672	96,980	115,544	84,510
Poland	61,665	53,967	59,219	65,771
Lithuania	3,264	4,204	6,327	9,329
Latvia	1,475	1,977	2,499	2,336
Estonia	364	799	1,037	1,268
Finland	137	879	998	1,095
Total	1,546,160	1,239,289	1,406,624	1,414,270

Continued

Table 23.--WHEAT: Production, average, 1909-1913,
1923-1927, annual 1928-1929 Continued

Country	Average 1909-1913	Average 1923-1927	1928	1929
	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>
AFRICA				
Morocco	(17,000)	22,693	24,746	26,885
Algeria	35,161	27,542	30,302	32,833
Tunis	6,224	9,627	12,125	12,309
Egypt	53,662	38,513	37,296	45,228
Total	92,047	98,375	104,469	117,255
ASIA				
India	351,841	344,729	290,864	317,595
Syria and Lebanon . . .	(4,000)	13,115	6,490	16,343
Japan	25,088	29,216	30,812	30,496
Chosen	6,898	9,733	8,595	8,320
Total	387,827	396,796	336,761	372,754
Total N. Hemisphere	2,724,942	2,959,133	3,340,654	3,021,792
SOUTHERN HEMISPHERE				
Chile	20,062	26,628	29,679	37,037
Argentina	147,059	219,864	307,362	137,420
Union of South Africa	^{b/} 6,034	7,307	6,693	10,273
Australia	90,497	156,604	159,657	125,669
New Zealand	6,925	6,347	8,833	7,100
Total	270,577	396,750	512,224	317,499
Total, 46 countries	2,995,519	3,355,883	3,852,878	3,339,291
Est. world total				
excl. Russia and				
China	3,041,000	3,448,000	3,950,000	3,430,000
Russia	758,941	672,678	793,289	736,908

^{a/} Four year average.

^{b/} One year only.

Table 24.--UNITED STATES: Exports of wheat, and wheat including flour, by weeks 1929 and 1930

Week ended		Wheat		Wheat including flour	
		1929	1930	1929	1930
		1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Jan.	4	976	1,996	1,878	2,635
	11	420	1,382	1,553	2,656
	18	506	1,578	1,535	2,513
	25	260	1,001	1,021	1,786
Feb.	1	975	1,593	1,783	2,970
	8	896	2,380	2,024	2,775
	15	212	1,422	1,895	2,136
	22	582	373	1,404	1,111
Mar.	1	785	734	2,444	1,848
	8	824	224	1,600	873
	15	590	371	1,878	968
	22	471	913	1,754	2,088
	29	932	357	2,168	1,363
Apr.	5	274	842	1,430	1,538
	12	718	329	1,414	808
	19	867	563	2,075	1,442
	26	2,130	545	3,108	1,175
May	3	745	939	1,685	1,747
	10	1,537	1,363	2,129	1,889
Total ...		14,700	18,905	34,779	34,321

Compiled from weekly report of the Department of Commerce.

Table 25.--WHEAT, INCLUDING FLOUR: Exports from the United States, by countries, July-March, 1928-29 and 1929-30

Country to which exported	Wheat, incl. flour :		Wheat :		Wheat flour :	
	July-Mar.		Mar.		Mar.	
	1928-29	1929-30	1929	1930	1929	1930
	bushels	bushels	bushels	bushels	barrels	barrels
United Kingdom	15,195	26,129	920	208	66	130
Irish Free State	2,944	3,196	0	261	3	10
Netherlands	8,968	7,598	172	208	104	130
Italy	4,962	699	44	58	2	3
Greece	3,709	6,847	0	0	4	3
Germany	2,397	5,807	0	40	28	40
Belgium	2,379	5,247	40	297	1	1
France	2,136	1,998	38	208	1	a/
Denmark	1,801	2,171	50	17	34	31
Finland	1,377	1,090	0	0	24	18
Gibraltar	1,159	3	0	0	a/	a/
Norway	876	1,467	0	17	22	54
Sweden	472	591	0	0	6	8
Malta, Gozo and Cyprus ..	150	330	0	0	2	4
Other Europe	3,745	1,867	0	5	3	10
Total Europe	52,270	65,040	1,264	1,319	300	432
Canada	31,365	12,540	559	a/	6	6
Panama	4,480	4,634	538	a/	11	8
Cuba	4,268	4,344	4	5	112	112
Mexico	2,102	2,386	207	275	10	8
Haiti, Republic of	1,598	798	0	0	23	26
Brazil	3,049	2,477	a/	a/	79	61
Peru	1,248	319	0	0	10	11
Colombia	815	681	13	23	8	6
Japan	4,189	8,637	442	632	15	10
China	5,757	2,470	455	0	130	51
Hongkong	3,609	2,985	0	2	92	45
Kwantung	1,648	3,921	0	0	72	18
Philippine Islands	2,914	2,549	0	0	81	48
Other countries	10,094	9,343	5	158	243	200
Total exports	129,406	125,124	3,487	2,414	1,192	1,044
Total imports	17,409	9,272	1,503	2,449	a/	1
Total reexports	20	53	0	0	0	a/
Net exports	112,017	113,905	1,984	b/ 35	1,192	1,043

Compiled from official records of the Bureau of Foreign and Domestic Commerce.

a/ Less than 500. b/ Net imports.

Table 26.--WHEAT: Stocks in United States as of March 1 and April 1,
1926 - 1930

Date and location of stocks	1926	1927	1928	1929	1930
	Million	Million	Million	Million	Million
	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
Mar. 1					
Farm	100.2	130.3	130.9	151.4	129.2
Country mills and elevators ..	76.4	85.9	75.4	82.4	96.0
Commercial ^{a/}	44.0	56.3	72.9	126.4	160.7
Merchant mills ^{b/}	(57.0)	(70.0)	(69.0)	(64.0)	(84.0)
In transit ^{b/}	(6.0)	(10.0)	(14.0)	(14.0)	(9.0)
Total	(283.6)	(352.5)	(362.2)	(458.2)	(478.9)
Estimated mill grindings,					
total for Mar.	42.1	44.7	49.0	45.1	(46.0)
Exports for Mar.	3.8	5.1	2.7	3.5	(2.4)
Total	45.9	49.8	51.7	48.6	(48.4)
Mar. 1 stocks minus Mar. mill					
grindings and exports	237.7	302.7	310.5	409.6	430.5
Apr. 1					
Commercial ^{a/}	34.0	49.9	68.8	124.8	153.1
Merchant mills	49.8	65.6	62.9	78.7	73.1
In transit	3.6	7.0	10.0	9.2	8.5
Total	87.4	122.5	141.7	212.7	234.7

^{a/} Estimated from visible supply data. ^{b/} Represent an interpolation between December 31 and March 31 stocks.

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

WH-50

June 21, 1930

WORLD WHEAT PROSPECTS 1/

The world markets for wheat improved to some extent in May and the first week of June, but weakened in the second week of June with a general decline in prices. Conditions reported to date indicate a crop in the Northern Hemisphere outside of Russia probably not very different from that harvested in the past season. Larger crops in India, Canada, and Rumania, and in some northern European countries are likely to be about offset by smaller crops in North Africa, France, Italy, Yugoslavia and possibly some other European countries. Deterioration of crops in North Africa and southern Italy have improved the prospects for marketing the durum wheat crop of the United States. The stocks of old wheat on hand as of July 1 in all positions for which data are available probably will be 100 to 150 million bushels less than a year ago. With smaller stocks of wheat in Argentina and in some European positions and a smaller hard winter wheat crop in the United States, conditions are more favorable than a year ago for moving the hard winter wheat crop in the Southwest without serious congestion in terminal markets. Since June 1 conditions indicate that the soft red winter wheat crop in the United States will be reduced to approximately a domestic supply basis, the market position of that class of wheat in relation to other classes is likely to be well maintained and possibly improved in the marketing season.

Conditions reported to date are not very favorable for the Canadian crop. The prospect for an average wheat crop in Canada is not so good as it

1/ Prior to this issue this series had the title Foreign News on Wheat. The last issue under the old title was F.S. dated May 21, 1930.

was a month ago. It now seems likely that the Canadian crop will not exceed 400 million bushels unless conditions for the remainder of the season are better than average. Low returns from the sheep industry in Australia may tend to encourage producers in that country to expand wheat production, but soil moisture deficiencies are unfavorable for materially expanding the area seeded in the present season. In Argentina low returns for the crop and weather conditions are likely to cause some further reduction in acreage.

Russia continues to be an uncertain factor in the world wheat situation. Late reports indicate that the area of wheat seedings may approximate that of the past season, but the outlook for the crop is somewhat uncertain.

If durum wheat seedings in the United States have been reduced in line with reported intentions, average or better than average yields would produce only a moderate crop and that crop is likely to meet less competition in foreign markets than was met by the crop of the past season. The wheat crop of southern Italy, which is mostly durum, is reported to be materially reduced. The crops of Tunis and Algeria are smaller than a year ago and Morocco has suffered from drought. Nothing is known of the prospects for the Canadian durum wheat crop but conditions in Manitoba would indicate the possibility of a durum crop somewhat better than that of the past season.

The world stocks of old wheat, July 1, still seem likely to be quite large but less than a year ago. Stocks in the United States and Canada may be about the same as a year ago, while the supplies in Australia may be a little larger and in Argentina much smaller. The supply of old wheat remaining in Argentina available for export and carryover is probably about one hundred million bushels less than a year ago. With the amount of wheat afloat

reduced by about 25 million bushels, the stocks in many European ports small, and domestic supplies on hand in many foreign countries reduced, it seems likely that the accounted for stocks on July 1 may be about 150 million bushels less than a year ago.

The general price level and demand situation will be important in the coming season, as it has been in the past season. A world-wide drop in the general price level of about 10 per cent from the first of July, 1929, to the first of June, 1930, has been an important factor in depressing wheat prices. There is no definite evidence that this decline in price level has come to an end but the length of such depressions in the past indicates that it may not continue many more months. Low interest and discount rates in many countries, together with easier credit, may result in freer buying on the part of importers. Improvement in the demand situation from these two factors, however, might be offset in a measure at least by larger exports from Russia.

World production prospects

Wheat areas reported to date representing 20 countries in the Northern Hemisphere total 1.4 per cent less than in the same countries in 1929, but more than in 1928. Since it is probable that smaller areas have been seeded to spring wheat in Canada and the United States, it seems likely that the total wheat area of the Northern Hemisphere to be harvested in 1930 will be somewhat less than that of 1929.

Forecasts and estimates of crops received to date indicate an outturn slightly above the harvests of the same countries in 1929. Larger crops in Rumania and India are not quite offset by smaller crops in Algeria, Italy, and a smaller winter wheat crop in the United States. Reports generally indicate smaller crops in France and Yugoslavia. North European countries may harvest somewhat larger crops. Condition reports from Germany indicate a crop somewhat larger than a year ago. Conditions to date for the spring wheat crops in Canada and the United States are somewhat better than a year ago. It seems likely, therefore, that the 1930 Northern Hemisphere crop may not be very different from the 1929 crop, but considerably smaller than that of 1928.

Wheat: Production, average 1909-1913, 1923-1927,
annual 1928-1930

Country	Average 1909-1913	Average 1923-1927	1928	1929	1930 (Prelim.)
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
United States,					
winter only....	441,602	549,257	578,673	578,336	532,469
Mexico .....1/	11,481	11,090	11,031	11,333	11,572
Belgium	15,199	13,988	17,215	13,225	2/ 15,873
Spain	130,446	146,581	119,885	154,249	160,568
Italy	184,393	210,456	228,598	260,669	220,000
Rumania .....1/	158,672	96,980	115,544	84,510	123,715
Algeria	35,161	27,542	30,302	33,307	29,174
Tunis	6,224	9,627	12,125	12,309	9,002
India	351,841	344,729	290,864	317,595	386,848
Total	1,335,019	1,410,250	1,404,237	1,465,533	1,489,221

1/ Four year average.

2/ Winter only; about 99 per cent of the total crop.

Bread grains: Winter acreage in specified countries,
average 1909-1913, annual 1927-1930

Crop and countries reporting 1/	Harvest year					Percentage 1930 is of 1929
	Average:					
	1909- 1913	1927	1928	1929	1930	
	1,000	1,000	1,000	1,000	1,000	
	acres	acres	acres	acres	acres	Per cent
WHEAT						
United States	28,382	37,723	36,213	40,162	38,676	96.3
Canada	2/1,019	853	819	834	636	76.3
Mexico	3/2,174	1,311	1,283	1,293	1,224	94.7
Total (3)	31,575	39,887	38,315	42,289	40,536	95.9
Europe (12)	59,138	55,006	55,867	55,843	56,389	101.0
North Africa (3)	6,531	7,150	8,332	8,368	8,102	96.8
Asia (2)	30,124	32,313	33,152	32,754	32,332	98.7
Total above coun.(20):	127,368	134,356	135,666	139,254	137,359	98.6
Est. world total excl.:						
Russia and China....	204,200	240,100	244,800	244,400		
RYE						
United States	2,236	3,648	3,480	3,225	3,521	109.2
Canada	117	568	599	664	765	115.2
Total	2,353	4,216	4,079	3,889	4,286	110.2
Europe (11)	26,070	22,159	24,327	24,748	25,082	101.3
Total above coun.(13):	28,423	26,375	28,406	28,637	29,368	102.6
Est. world total excl.:						
Russia and China	48,300	48,400	46,700	48,600		

1/ Figures in parenthesis indicate the number of countries included. 2/ Four-year average. 3/ Two-year average.

World trade

The international trade in wheat continues at a relatively low level. Total shipments or exports from the principal exporting countries from July 1, 1929 to May 31, 1930 were about 260 million bushels less than in the corresponding period of a year ago. This does not mean that the imports of importing countries have been reduced so much. The amount of wheat afloat has been reduced by about 30 million bushels. Shipments from several small countries and exports from importing countries such as Germany and France are not accounted for in the figures representing principal exporting countries. The net imports of European countries, from July 1 to the most recent date for which data are available, total only about 80 million bushels less than in the corresponding period of a year ago. Data are not available as to the net imports of many of the ex-European countries, but shipments to ex-Europe have been reduced about 70 million bushels. It seems, therefore, that the actual consumption of wheat by importing countries has been materially greater than indicated by the differences in shipments from principal exporting countries.

In spite of the great reduction in international trade in wheat, the United States has shipped nearly as much wheat and flour as in the corresponding period of a year ago. The total shipments through May amounted to 140 million bushels compared with 155 million through May 1929. Imports for milling in bond, however, have been smaller than a year ago; consequently, the net exports are very close to being the same as in the corresponding period of a year ago. The Balkan countries shipped early and in large quantities, more than in any recent year. Russia has also contributed about 5 million bushels. The other principal exporting countries, Canada, Argentina, and Australia, have fallen far behind.

In reviewing imports of the European importing countries, it is of interest to note that some countries imported in the first nine months of the season as much or more than in the corresponding period of a year ago, and that only a few countries have materially reduced their imports. The most significant reduction is that by Italy, from 72 to 26 million bushels in the first nine months of the season. Germany, with a smaller crop but with every effort to curtail the consumption of foreign wheat, imported about as much as in the corresponding period a year ago. French imports were reduced but not in proportion with the increase in production. The reason for Denmark falling so far behind a year ago is not apparent. Many of the small countries have imported about the same quantity as in the corresponding period of a year ago. The imports of many of the non-European importing countries do not fluctuate greatly. The greatest reduction in imports has been in the Orient, due to an accumulation of flour stocks at the beginning of the season, the falling price of silver, and tight credit conditions.

Wheat including flour: Exports from principal exporting countries, March, April and May 1929 and 1930

Country	Mar.		Apr.		May	
	1929	1930	1929	1930	1929	1930 <u>1/</u>
	1,000	1,000	1,000	1,000	1,000	1,000
	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
United States	9,090	7,321	9,151	7,438	16,128	10,773
Canada	27,565	14,656	10,554	5,460	31,153 <u>2/</u>	28,963
Argentina	29,861 <u>1/</u>	8,890	22,381 <u>1/</u>	10,572	24,218	8,789
British India <u>3/</u> ..	283 <u>4/</u>	177	320 <u>1/</u>	0	443	0
Australia	16,023 <u>1/</u>	6,732	17,619 <u>1/</u>	4,518	7,809	7,204
Russia <u>1/</u>	0	360	0	1,688	0	376
Danube and Bulg. <u>1/</u>	160	1,328	88	376	384	664
Total	82,982	39,464	60,113	30,052	80,135	56,769

Compiled from official and trade sources.

1/ Preliminary. 2/ Fort William, Port Arthur, Vancouver and Prince Rupert.
3/ Net imports: March 1929 were 3,875,000 bushels, April 1929 were 3,133,000 bushels and May 1929 were 1,473,000 bushels. 4/ Sea-borne trade only.

Wheat including flour: Shipments from principal exporting countries

Country	Total shipments		Shipments, weeks ending		Total shipments	
	or exports	July-June	or exports	July-May	or exports	July-May
	1927-28:1928-29 <u>1/</u>	May 17	May 24	May 31	1928-29:1929-30	
	1,000	1,000	1,000	1,000	1,000	1,000
	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
North America <u>2/</u> ..	452,423	499,942	7,813	6,724	8,153	462,296:273,349
Canada 4 markets...	333,335	458,649	4,816	5,935	8,494	439,022:172,412
United States.....	206,259	163,687	3,271	1,973	1,893	154,681:140,459
Argentina.....	178,135	217,139	1,092	1,717	2,085	191,748:153,516
Australia.....	72,962	107,937	960	1,200	1,600	107,298: 55,881
Russia.....	5,408	8	0	0	0	8: 4,608
Danube and Bulg....	32,847	33,842	112	144	144	2,680:18,176
British India.....	15,668	5,687	0	0	0	4,746: 3,453
Total <u>3/</u>	757,443	864,555	9,977	9,785	11,982	768,776:508,983
Total European	:	:	:	:	:	:
shipments <u>4/</u>	:	:	9,800	8,120	---	:620,580:431,192
Total ex-European	:	:	:	:	:	:
shipments <u>4/</u> ...	:	:	2,256	2,424	---	:201,176:130,024

Compiled from official and trade sources.

1/ Preliminary. 2/ Bradstreets weeks ending Thursdays, including flour at 4.5 bushels per barrel. 3/ Total of trade figures including North America as reported by Bradstreets. 4/ Totals as reported by Broomhalls Corn Trade News.

Wheat prices

After reaching new low levels for the crop year early in May, wheat prices improved somewhat through the first week of June. This improvement was followed by some recession during the second week of June.

For the week ended June 6 all classes and grades of wheat at six markets averaged 103 cents per bushel; compared with a low of 97 cents per bushel for the week ended May 9. No. 2 hard winter at Kansas City averaged 101 cents per bushel the week ended June 6 compared with its low of 96 cents, while at Minneapolis No. 1 dark northern spring and No. 2 amber durum at 111 cents and 98 cents respectively were 3 to 4 cents above the levels of the week ended May 9. No. 2 red winter at St. Louis, which averaged 113 cents per bushel the week ended June 6, was only 2 cents above its level for the week ended May 9. As compared with their levels of a year ago, winter wheats were higher while spring wheats were lower. No. 2 hard winter at Kansas City averaged 3 cents above its level the first week of June last year, while No. 2 red winter at St. Louis was 2 cents higher. No. 1 dark northern spring at Minneapolis was 7 cents lower than a year ago, while No. 2 amber durum was 16 cents below last year's level for the first week of June.

The prices of wheat futures closed lower on June 12 than a week earlier. The greatest declines were in United States markets where prices were more than 3 cents per bushel lower, while at Liverpool the close of July futures was only 1.5 cents per bushel below that of a week before. At Chicago July futures closed June 12 at about 103 cents per bushel, compared with 106 cents the previous week, while at Kansas City they closed at 96 cents per bushel compared with 99 cents a week before. The July close at Minneapolis was 102 cents and at Winnipeg 110 cents per bushel. Liverpool July futures closed at 115 cents against 116 cents per bushel the previous week. On June 11 Buenos Aires July futures closed at about 106 cents per bushel, which was one cent higher than the close of the previous week.

Future price movements of the week brought about a widening of the spread between prices at Liverpool and United States markets. Based on closing prices of June 12 the spread between July futures at Liverpool and Chicago was nearly 12 cents per bushel compared with spreads of 8 to 10 cents which has been usual during recent weeks. The close of the July future at Kansas City on June 12 was approximately 19 cents per bushel below Liverpool. A continuation of current price spreads would probably result in considerably larger exports from the United States than those of recent weeks.

During the past few weeks prices have been fluctuating largely on news of the development of the crops both in the winter and spring wheat areas. In the United States markets the volume of shipments overseas has also been a factor affecting day-to-day movements of prices. The export movement has been watched more closely than is usual at this time of year because of its importance in affecting the likelihood of congestion following the heavy movement of the winter wheat crop.

Wheat: Closing prices of July futures

Date	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires
	1929:1930	1929:1930	1929:1930	1929:1930	1929:1930	1929:1930
	Cents	Cents	Cents	Cents	Cents	Cents
Apr. 24:	117	106	108	98	114	106
May 1:	118	104	110	96	117	104
8:	108	101	100	94	106	101
15:	108	104	101	97	108	104
22:	106	107	99	100	106	107
29:	100	108	93	99	99	105
June 5:	109	106	102	99	107	106
12:	108	103	100	96	105	102
19:	112		105		110	
26:	111		105		111	
					123	
						118
						100

1/ Prices are of day previous to other prices.

2/ June futures.

Wheat: Weighted average cash prices at stated markets

Week ended	All classes and grades	No. 2 hard winter	No. 1 dk.n.spring	No. 2 amber durum	No. 2 red winter	Western white
	six markets	Kansas City	Minneapolis	Minneapolis	St. Louis	Seattle
	1929:1930	1929:1930	1929:1930	1929:1930	1929:1930	1929:1930
	Cents	Cents	Cents	Cents	Cents	Cents
Apr. 18:	112	102	113	101	133	113
25:	107	99	107	98	125	109
May 2:	107	99	107	97	128	110
9:	101	97	104	96	123	108
16:	103	101	103	98	124	110
23:	101	102	100	100	121	111
30:	95	102	94	102	112	110
June 6:	100	103	98	101	118	111
13:	103		102		120	
20:	104		102		123	
					109	
						121
						111

1/ Weekly average of daily cash quotations basis No. 1 sacked 30 days delivery.

CROP AND MARKET PROSPECTS

The United States

June 1 conditions indicate a winter wheat crop in the United States 56 million bushels less than the crops of 1928 and 1929. The principal reductions are in soft red winter wheat in Ohio, hard red winter wheat in Texas and Oklahoma, and white wheats in the Far Northwest. Should the June forecast be borne out, the outturn of the hard red winter wheat crop would be about 325 million bushels or 5 per cent less than the crop of this class of wheat in 1929. The soft red winter wheat crop would be about 167 million bushels or 13 per cent less than that of 1929, and the white winter wheat 40 million bushels or 10 per cent less.

Stocks of wheat on farms and in country mills and elevators are probably about equal to a year ago. The stocks of soft red winter wheat may be larger than a year ago when they were low at many points in the soft red winter wheat producing region. Stocks of white wheat in the Northwest are probably also larger. It is possible that larger stocks of soft red winter and white winter wheats will about offset reductions in the crops. The farm supplies of hard winter wheat, on the other hand, may be slightly less than a year ago.

A careful survey has been made of supplies in relation to storage capacity of elevators in the Southwest hard winter wheat producing region. It appears that the crops of Oklahoma and Texas can be moved without congesting terminal markets. The supplies to be moved from Texas and Oklahoma are somewhat smaller, the elevator capacity has been increased, and the stocks of old wheat at terminal markets have been reduced to make way for the new crop. Unless farmers who have storage capacity on farms hold wheat through the heavy marketing season, congestion at terminal markets for the wheat from Colorado, Kansas, and Nebraska is in prospect. The congestion, however, may not be so serious as it was in 1929. While the prospective supply of wheat to be handled from these states is equal to and possibly somewhat larger than a year ago, it is not likely that significant quantities of wheat from Texas and Oklahoma will be moved into northern terminal markets as in 1929. Furthermore, since Argentina has a much smaller supply of wheat to be shipped during the next few months, it seems likely that winter wheat from the Southwest will move into export more freely than last year in the early months of the marketing season. The rate of movement of wheat from these states may also be affected by weather conditions.

Wheat in store at principal markets as of June 7 amounted to 118 million bushels compared with 94 millions on the corresponding date a year ago. Unless mill stocks are smaller, it seems likely that the carryover of old wheat in the United States will be as large and possibly a little larger than it was on July 1, 1929.

Wheat: Inspected receipts, all United States inspection points, by classes, July-April, 1928-29 and 1929-30

Class	1929	1930	1928-29	1929-30
	Apr.	Apr.	July-Apr.	July-Apr.
	Cars	Cars	Cars	Cars
Hard red spring	8,233	3,015	153,381	86,172
Durum	2,656	980	50,450	22,345
Hard red winter	9,081	9,387	309,433	318,796
Soft red winter	812	1,385	30,431	40,849
White	1,085	1,231	28,306	26,992
Mixed	2,359	1,409	47,366	34,684
Total	24,226	17,407	619,367	529,838

United States: Exports of wheat and wheat including flour, by weeks 1929 and 1930

Week ended	Wheat		Wheat including flour	
	1929	1930	1929	1930
	bushels	bushels	bushels	bushels
Apr. 5	274	842	1,430	1,538
12	718	329	1,414	808
19	867	563	2,075	1,442
26	2,130	545	3,108	1,175
May 3	745	939	1,685	1,747
10	1,537	1,363	2,129	1,889
17	2,358	2,082	3,171	3,271
24	2,110	1,329	2,796	1,973
31	1,486	925	2,276	1,893

Compiled from weekly report of the Department of Commerce.

Canada

The chances for an average crop in Canada have been reduced in the past month. Rainfall in the Prairie Provinces was below average in May and the early part of June. The scarcity of precipitation in this period is likely to be reflected in reduced yields unless it is offset by above normal rainfall between now and August 1. The crop suffered not only from scarcity of rainfall but also from high winds. It now seems likely that the Canadian crop will not exceed 400 million bushels unless conditions for the remainder of the season are better than average.

The Canadian Government reports spring wheat 96 per cent and winter wheat 88 per cent of conditions that would indicate average yields. The average yield of spring wheat in the past ten years was 16.9 bushels per acre, and a condition of 96 would indicate 16.2 bushels per acre. Should the area be reduced to 24 million acres, this would indicate a crop of slightly less than 400 million bushels. The relation of yield to rainfall and temperature through June 9, and assuming average rainfall and average temperatures for the remainder of June and in July, indicates a yield of 17.5 to 18 bushels for Canada as a whole. It would indicate a yield of 16.5 to 17 bushels in Saskatchewan. That is, should average conditions prevail during the remainder of June and through July, the Canadian crop would probably be slightly above 400 million bushels. The continuation of unsatisfactory conditions would of course reduce the yields below this figure. Reports of conditions early in June indicate great need of moisture in many parts of Canada.

The above calculations of yields on the basis of rainfall and temperature take no account of winds and soil drifting. Reports to the Manitoba Free Press indicate considerable damage from winds. Wind damage may have some effect upon the area remaining for harvest. Some of the damaged area is being re-seeded but the lateness of seeding reduces the chance of a good yield.

Saskatchewan: Total precipitation (average per station)
in specified months, average 1904-05 to 1927-28,
annual 1927-28 to 1929-30

Period	Average 1904-05 to 1927-28	1927-28	1928-29	1929-30
	<u>Inches</u>	<u>Inches</u>	<u>Inches</u>	<u>Inches</u>
Sept. - Nov.	3.02	5.15	1.06	2.90
Jan. - Mar.	1.97	1.11	1.96	1.24
Apr. ....	.89	.91	.48	1.00
May	1.94	.58	1.71	^{1/} .82
June	3.19	5.14	2.12	^{2/}
July	2.36	2.10	.56	---

^{1/} Preliminary.

^{2/} Rainfall the first ten days of June totaled .7 inch on an average per station.

The supply of wheat remaining on July 1, 1930 seems likely to be not very different from that of a year ago. Available data indicate that the supply available for export and carryover as of June 1 is probably about 153 million bushels compared with 155 millions a year ago. The Canadian grain in store was reported on May 30 to be about 147 million bushels, about 4 million bushels in excess of a year ago, and the farm supplies are probably somewhat less than a year ago.

Australia

Conditions in Australia are not very satisfactory for seeding. Our Australian correspondent cabled May 30, "The eastern Australian wheat states had good planting rain but insufficient for sub-soil moisture. Good rains in June would be necessary to give the crop a good start." Very little rain had fallen in the wheat areas between December and March and therefore the sub-soil reserve was low. Efforts are being made to extend wheat areas. Many producers who are both wheat growers and sheep raisers are increasing their wheat areas to compensate for lower wool prices. Our correspondent, however, believes that there will be no substantial increase in wheat acreage unless moisture conditions become more favorable.

The Australian crop is moving slowly. If the crop and carryover have been accurately estimated, the supply available for export and carryover as of June 1 was about 53 million bushels, compared with 40 millions a year ago. Our correspondent believes that there was really only about 30 million bushels available for export, as compared with 40 million bushels a year ago.

North Africa

Forecasts of wheat crops in Algeria and Tunis indicate a production in these two countries of about 38,200,000 bushels, compared with 45,600,000 a year ago, a decrease of 16 per cent, according to cables from the International Institute of Agriculture. The wheat crop of Tunis is reported likely to be 9,000,000 bushels, compared with 12,300,000 bushels produced last year. This is the smallest crop since 1927, when the outturn was a little over 8,000,000 bushels. The Algerian crop of 29 million bushels is also the smallest since 1927 when a little over 28,000,000 bushels were harvested.

No forecast of the crop of Morocco has been received but reports indicate that the area has been reduced 3 per cent and condition reports indicate a crop smaller than last year.

About 75 to 80 per cent of the wheat crops of Algeria, Morocco and Tunis is durum. With such a reduction in the outturn of the crops of these countries and a smaller crop in prospect in southern Italy including Sicily which produces durum, the prospect is for a stronger foreign demand for durum wheat from the United States.

The feed grain crops of North Africa are also short. The barley crop of Algeria is forecast at 37,000,000 bushels compared with 40,000,000 a year ago, and of Tunis 5,500,000 compared with 11,500,000 a year ago. The oats crop of Tunis is also reduced from 3,400,000 bushels to 1,700,000.

Production of wheat and barley in
Algeria and Tunis, 1926-1930

Year	Wheat		Barley	
	Algeria	Tunis	Algeria	Tunis
	: 1,000 bushels :	: 1,000 bushels :	: 1,000 bushels :	: 1,000 bushels :
1926	23,551	13,044	23,002	8,818
1927	28,323	8,267	34,554	4,111
1928	30,302	12,125	39,716	12,631
1929	33,307	12,309	40,445	11,482
1930	29,174	9,002	37,203	5,512

The Orient

Agricultural Commissioner Nyhus in Shanghai reports prospects of better wheat crops in China. Rain has been excessive in some localities in the wheat region of the lower Yangtze Valley, but in general the crop is considered good. It is much better than last season and may equal the large crop of 1928. Preliminary reports indicate that the crop on the Great Plains, extending from the Yangtze Valley to Pieping, is also promising. Good rains have been received and the prospect of very satisfactory yields is reported from many localities. The rainfall in May at Pieping was 2 $\frac{1}{2}$ inches, compared with a May average of .6 of an inch. If the interior Great Plains have received similar rains in May, the wheat yields in general might be the best in several years. Information from southern Shansi is likewise favorable. Good yields are also in prospect in the famine provinces of Shensi. The area of wheat in relation to normal and how the total harvest will compare with normal years in the famine areas is unknown.

Mills at Shanghai are expected to resume full operations by the end of June. Several mills at Tsinan which have been idle for two years are preparing to run this season.

The Tientsin flour market improved in May, according to a cable from Consul General Gauss, but low exchange still hampers the sale of American and Canadian flour. Of the 900,000 bags arriving in May, none came from the United States and only 200,000 from Canada. The bulk of the flour came from Japan, with considerable imports from Shanghai. The supply of local wheat increased and local mills continued to operate.

At the beginning of the season there was a large accumulation of flour stocks at Tientsin. The imports of that port in 1929 were nearly double those of 1928 and three times as great as in any other year of the past ten years. These large imports were not all absorbed currently but built up stocks. At the beginning of June, 1929, flour stocks in Tientsin amounted to 4,600,000 bags. Imports in July were very large and made a further addition to the stocks. Imports have declined materially since August and stocks have been reduced to 1,600,000 bags, thus compared with a year ago stocks have been reduced about 3 million bags, the equivalent of nearly 5 million bushels of wheat.

The accumulation of flour at Tientsin a year ago appears to have been due to low prices and difficulty in transporting the commodity into the interior. Rail communication at that time was inadequate and quite expensive due to military levies, and transportation on the rivers was hindered by low water. During the year the decline in the value of silver has tended to discourage imports, particularly from the United States and Canada.

In Japan the domestic wheat market is reported to be weak and no improvement in imports from the United States is in prospect, according to Consul Garrels. Export demand is reported poor due to the Chinese silver situation. Mill stocks on June 1st, however, were less than normal.

Wheat, including flour: Net imports into European importing countries 1928-29 and 1929-30

Country		Net imports reported	
		July 1 to	
		1928-29	1929-30
		Million bushels	Million bushels
United Kingdom	Apr. 30	170	170
Italy	Apr. 30	72	26
Germany	Apr. 30	57	56
France	Mar. 31	34	24
Belgium	Mar. 31	31	32
Netherlands	Apr. 30	24	24
Czechoslovakia	Apr. 30	15	10
Greece	Mar. 31	15	17
Irish Free State	Feb. 28	12	<u>1/</u> 9
Austria	Mar. 31	11	12
Switzerland	Apr. 30	13	14
Sweden	Apr. 30	6	6
Norway	Apr. 30	7	6
Denmark	Mar. 31	11	6
Finland	Apr. 30	5	5
Poland	Mar. 31	3	<u>2/</u>
Estonia	Feb. 28	1	1
Latvia	Jan. 31	2	2
Spain	Apr. 30	15	4
Portugal	Mar. 31	5	3
Total		509	427

1/ Does not include wheat flour from October to February.

2/ Less than 500,000 bushels.

The Continental European wheat market situation during May 1930 1/

While trading on continental European wheat markets during May was considerably less active than last year, a moderate revival was registered and is expected to continue till the close of the season. It seems to be more generally conceded than some weeks ago that Europe is becoming more dependent on North America to supplement her own supplies as the season closes, especially as Argentina will not be as important a factor as usual, due to heavy marketings early in the year. The need for foreign wheat will be more pressing if crop conditions take a decidedly unfavorable turn in other countries as they have in Italy and France. The policy of raising duties and instituting various other farm relief measures is curtailing buying, however, and forcing reliance on domestic stocks to the limit.

Continental crop developments in May have been mixed. Conditions were less favorable in France and Italy where crops are not expected to be so good as a year ago, while on the other hand improvement was noted in the Danube with prospects for wheat crops better than a year ago. Although it is very early in the season and conditions can change greatly between now and harvest, at the present time prospects for wheat in Europe appear to be somewhat less than the good crops harvested a year ago. Dry weather in parts of Russia's spring wheat area contrasts with good conditions in winter wheat sections, but the rather slow pace of spring wheat seeding leaves some room for speculation on the outcome of the wheat crop in Russia.

Trading during the first part of May on the Continent was quiet as the deficit countries covered only the most pressing needs. A change in sentiment, however, became apparent the latter part of the month as crop conditions in the United States continued to indicate a winter wheat crop below last year, in conjunction with declining visible supplies and heavily reduced shipments from Argentina. Prices which were uncertain the middle of May in most countries tended upward later in the month and are now about the April level. In Central European countries, like Czechoslovakia and Austria, increased buying was attributed to some extent to prospective duty increases.

The opinion is quite generally expressed that Europe's dependence on North America to supplement her own wheat supplies will be more evident during the closing weeks of the season. Deterioration in crop prospects would certainly bring about continental purchases of considerably larger volume than now expected on the basis of average crop developments. The setting up of various farm relief measures in different countries has operated to reduce the dependence on North America up to this time as much as possible, but it seems that some increased buying must take place before the domestic European crop moves to market. If high wheat duties continue in important importing countries and farm relief measures are instituted in Austria and Czechoslovakia, it now seems probable that prices for domestic grain at the beginning of the new crop may be so attractive that unusually heavy early marketings of the European crop will take place with some resulting disadvantage to foreign wheat.

1/ By Assistant Agricultural Commissioner Owen L. Dawson, Berlin, Germany, May 28, 1930. Supplemented by cable June 6, 1930.

Continental price declines at the beginning of May were followed by general price increases later in the month, increases which in many instances were larger than overseas. The resultant price differential became somewhat more favorable to American wheat. (See Tables below)

Wheat: European price per bushel

Date	BERLIN		PARIS		GENOA		VIENNA:HUNGARY	
	"Markischer"		Domestic		Domestic		"Vienna:"Tisza"	
	wheat		wheat nearest		wheat nearest		Boden": wheat	
	spot		month		month		wheat : 79/80 kg	
							spot : spot	
	1928-29	1929-30	1928-29	1929-30	1928-29	1929-30	1928-29	1929-30
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Sept. 6	139	150	163	154	133	119	127	126
Dec. 6	134	158	163	141	122	121	124	130
Jan. 10	134	160	165	150	130	130	123	129
Jan. 31	140	155	166	142	133	125	123	133
Feb. 28	142	149	169	142	131	113	124	132
Mar. 31	145	166	167	141	129	113	121	123
Apr. 15	145	172	167	142	130	113	121	125
Apr. 25	147	180	165	135	128	111	121	125
May 6	146	186	165	128	126	110	121	125
May 20	143	189	162	140	121	115	121	124
May 26 1/	136	189	168	143	120	116	122	127
June 3 2/	133	198	163	142	110	110	127	129

1/ Genoa: May 22.

2/ Vienna and Hungary: May 30.

Price spread per bushel, Chicago - Europe 1/

Date	BERLIN		PARIS		GENOA		VIENNA:HUNGARY	
	"Markischer"		Domestic		Domestic		"Vienna:"Tisza"	
	wheat		wheat nearest		wheat nearest		Boden": wheat	
	spot		month		month		wheat : 79/80 kg	
							spot : spot	
	1928-29	1929-30	1928-29	1929-30	1928-29	1929-30	1928-29	1929-30
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Sept. 6	+ 30	+ 18	+ 54	+ 22	+ 23	- 13	- 5	- 6
Feb. 28	+ 19	+ 39	+ 46	+ 32	+ 8	+ 4	+ 13	+ 20
Apr. 25	+ 33	+ 77	+ 51	+ 31	+ 14	+ 7	+ 17	+ 21
May 6	+ 34	+ 86	+ 54	+ 28	+ 15	+ 10	+ 21	+ 24
May 20	+ 41	+ 84	+ 57	+ 35	+ 19	+ 10	+ 17	+ 19
May 24 2/	+ 35	+ 84	+ 65	+ 38	+ 17	+ 12	+ 18	+ 22
June 3 3/	+ 29	+ 91	+ 59	+ 35	+ 6	+ 3	+ 18	+ 20

1/ Above (+) or below (-) Chicago.

2/ Genoa: May 22. 3/ Vienna and Hungary: May 30.

Arrivals at the ports during the period under review continued small and a general decline of visible stocks on the Continent was apparent. (See Table on following page)

Wheat: Stocks at certain continental European points

Date	Antwerp	Rotterdam	Hamburg 1/	Berlin	Hungarian warehouses
	1,000	1,000	1,000	1,000	1,000
1929-30	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
Oct. 31	3,800	2,800	---	710	4,800
Jan. 15	1,500	1,300	1,100	710	4,200
Jan. 31	880	1,200	1,100	880	4,000
Feb. 15	---	1,300	1,800	---	3,700
Feb. 28	960	1,400	1,800	1,000	3,500
Mar. 15	2,000	1,500	1,500	---	3,000
Mar. 31	1,500	480	1,700	920	2,600
Apr. 15	---	660	1,100	---	2,000
Apr. 30	1,500	290	920	880	1,700
May 15	1,200	170	620	---	2/ 1,200

1/ Rough estimates.

2/ On May 24, 960,000.

Unusual crop developments during the extremely important period of the next few weeks would have an important effect on buying the remainder of the marketing season.

Although it appears that the 1929 European wheat crop was only 7,000,000 bushels above 1928, the imports, according to present estimates, will run nearly 130,000,000 bushels less than last season. As previously discussed in our reports, the small imports this year, compared with a year ago, can be partly explained by decreased consumption for stock feeding and to some extent decreased human consumption due to large supplies of other grains and feeds, but when allowance is made for decreased consumption, estimates of imports for this season still fall short of meeting the deficit, which consequently must show up in reduced stocks at the end of the season.

Continental wheat imports during the period July 1 to about April 15 amounted to 4,800,000 bushels per week as compared with as much as 7,200,000 bushels per week during the same period last season. Weekly imports from about April 15 to June 30 will run about 5,700,000 bushels compared with 8,600,000 bushels last year for the same period, in order to cover the estimated deficit of 256,000,000 bushels we have estimated for this season.

Wheat: Average weekly net imports into
the Continent of Europe

Season	1928-29	1929-30
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
Estimate July 1 - June 30	7,496	5,034
July 1 - Nov. 15	6,614	5,107
Nov. 15 - Dec. 15	11,758	3,785
Dec. 15 - Jan. 15	7,716	6,430
Jan. 15 - Feb. 15	4,997	4,005
Feb. 15 - Mar. 15	4,446	2,352
Mar. 15 - Apr. 15	10,950	7,018
Estimate Apr. 15 - June 30	8,561	5,695

Wheat stocks on the Continent

Private information indicates that domestic wheat stocks continue small in Italy, Czechoslovakia, Austria, Poland, the Danube Basin and also Germany as indicated by an important decline in farm stocks from March 15 to April 15 and indications that stocks in other positions are low. As evidenced by the favorable domestic prices, the rapid decline in German stocks must have continued, which is supported by various reports on the scarcity of domestic wheat in places. Slow importation to date in most of the important continental deficit countries, despite some revival recently, has kept stocks of foreign wheat on moderate levels everywhere.

Wheat: Stocks end of April or middle of May

Position	1929	1930
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
Antwerp	1,277	1,157
Rotterdam	1,415	294
Amsterdam	345	81
Berlin	926	889
German Farms (Apr. 15)		
(available for sale)	14,808	11,868
Hungarian warehouses		1,213

Crop prospects

Crop developments during May varied in different parts of the Continent, as they took an unfavorable turn in France and Italy, but showed some improvement in the Danube Basin with favorable prospects continuing in Central European countries. The Italian crop has been estimated at 220 million bushels, a decrease of 41 million bushels in 1929. Unofficial estimates for France average around 290 million bushels, 30 million bushels below the official estimate of the 1929 crop. Conditions at the present time are more favorable in the winter wheat sections of Russia than a year ago, but complaints of dry weather in parts of the spring wheat section continue, with the lateness of spring wheat seedings in a large area giving some ground for speculation as to the outcome of the spring wheat crop. Too much rain in France and Italy during May gave rise to unfavorable conditions, such as rust and excessive weed growth in sections. Lodging is also reported, due to storms. While the crop in these countries can still be average or above, it is quite generally conceded that they will fall below last year and should unfavorable developments continue might run below average. Abundant rainfall was very beneficial to crops in the Danubian countries where the spring was somewhat too dry. The Yugoslavian crop has been estimated to be materially below last year but possibly equal to an average crop. The outlook in Hungary, Rumania and Germany is for crops better than last year, but not sufficiently large to offset decreases in other countries. Rains were also considered favorable over other parts of Europe, as the moisture supply from the winter was somewhat short. Toward the latter part of the month, however, there was some indication of too much moisture, which, if continued, would give rise to unfavorable conditions.

It is now evident that the wheat acreage has increased slightly as compared with the preceding year. In ten continental countries the total acreage of wheat sown increased by about .5 per cent. The increase of the whole Continent is expected to be somewhat larger, as no figures were published for important countries, for example, Germany, where the acreage doubtless has increased. The acreage of wheat shows some increase in France, Spain, Poland Czechoslovakia, Bulgaria and some other countries of minor importance, as Finland, Latvia, Lithuania and Luxembourg, while Italy and Rumania have a somewhat smaller acreage than last year. It appears unlikely that the increase in wheat acreage sown on the Continent is larger than 1 per cent. The harvested acreage may show a larger increase due to smaller winter killing.

Feed grain markets

The market for feed grains in Europe was quiet during May and the demand was very much limited. The fact that pastures are in very good condition practically everywhere has an unfavorable influence on the market for feed grains. Shipments of corn to the Continent, however, especially from the Danube, have increased somewhat. The market for feed barley was depressed and shipments were smaller. The German tariff on feed barley was raised from 51.86 to 62.23 cents per bushel, effective May 26, 1930.

Germany

Imports of wheat into Germany during April were much larger than the small imports of March, and it now appears that our estimate of 66,000,000 bushels will be reached. This figure would probably be exceeded but for the recent duty increases and regulations for milling domestic wheat. At the present rate of domestic disappearance stocks at the close of the season will be quite small before the new crop is harvested, unless the rate of imports increases materially. Present crop conditions point to a crop as great or greater than last year, but this will not come on the market before some time in August.

Wheat and wheat flour prices in Germany increased considerably the second half of April and the first of May due to the various relief measures of the Government. A temporary decline occurred later but prices recently strengthened under the influence of a firmer world market and the retention of the milling regulations. Import business in wheat was very active before the last tariff increase on April 26 but after that date the market was very quiet. The demand for foreign wheat was generally reluctant, and flour mills bought only for current needs. During the period the demand for domestic wheat was strengthened by prolonging the order making obligatory the milling of at least 50 per cent domestic wheat. This regulation is more effective in raising prices as the supply of domestic wheat becomes rapidly shorter and shorter. Although the order was prolonged for the month of June, the minister for agriculture explained that it would be abolished as soon as the flour mills are unable to secure sufficient quantities of domestic wheat.

The rye market continued dull, prices showed but small improvement, in spite of the new intervention of the "Getreide-Handelsgesellschaft" in buying up considerable quantities of rye. The value of the import certificate on rye has been raised from 36 to 54 cents per bushel. This measure has had only a small effect on rye prices and the spread between wheat and rye prices has continued to increase. The following Table shows the development of the German grain prices.

Germany: Price per bushel of domestic wheat and
rye, April 9 - June 4, 1930

Date	Wheat			Rye
	Hamburg <u>1/</u>	Breslau <u>2/</u>	Berlin <u>3/</u>	Berlin <u>4/</u>
	Cents	Cents	Cents	Cents
Apr. 9	182	167	171	100
16	180	167	173	101
23	189	175	178	101
30	193	178	185	100
May 7	194	180	185	98
14	192	178	183	99
21	195	180	188	105
28	---	---	192	105
June 4	209	194	199	106

1/ Wheat of any German district of at least 58.7 pounds per Winchester bushel.

2/ Wheat of any German district in carloads of 370 bushels of at least 58.7 pounds per Winchester bushel.

3/ "Märkischer" wheat of 59-60 pounds per Winchester bushel.

4/ "Märkischer" rye of at least 56 pounds per Winchester bushel.

Net imports of wheat during April amounted to about 4,000,000 bushels compared with 1,456,000 bushels in March 1930 and 9,002,000 bushels in April 1929. If our estimate of 66,000,000 bushels for the season is to be carried out, an average monthly import of 5,000,000 bushels for May and June would be necessary. During other years the imports have run much larger for the same period, but are expected to be restricted this year on account of the high duty. Actual imports during the next two months, however, will depend to some extent on crop conditions. Up to the present time conditions are favorable for a crop as large or larger than last year. Arrivals from Holland and in the seaports have been small since the end of April when the last increase in tariff rates took place.

Stocks of wheat in trade channels and in the hands of producers have shown a declining tendency. The statistical data on trade stocks are incomplete but various indications in connection with known monthly consumption

requirements point to declining stocks. On March 31 the visible Berlin stocks were about twice as large as a year ago but by April 30 were only as large as last year.

Farm stocks decreased rather heavily from March 15 to April 15. Disappearance of wheat on German farms during this period was 14,587,000 bushels as compared with 8,782,000 bushels in the corresponding period of 1929. The decline of stocks available for sale was also comparatively large, leaving a smaller amount than a year ago, because of the high duty and the 50 per cent milling requirement. Heavy reduction in stocks during May also took place. Grain stocks on German farms May 15, 1929 and 1930 were as follows:

Grain: Stocks on German farms on May 15, 1929 and 1930

Grain	Total farm stocks, May 15		Stocks available for sale, May 15	
	1929	1930	1929	1930
	<u>1,000</u> <u>bushels</u>	<u>1,000</u> <u>bushels</u>	<u>1,000</u> <u>bushels</u>	<u>1,000</u> <u>bushels</u>
Winter wheat	12,700	7,900	7,800	4,500
Spring wheat	2,300	700	1,700	400
Winter rye	52,300	57,100	23,200	28,500
Spring barley	12,900	10,300	4,400	2,600
Oats	126,800	132,200	34,700	35,600

Based on percentage estimates of the German Agricultural Council.

It appears from the above Table that rye stocks are still very large in spite of all measures taken to stimulate consumption of rye. The following protective measures have been taken during the period under review:

On April 26 the tariff on wheat was raised from 77.79 cents per bushel to 97.24 cents, the tariff on brewing barley from 51.86 cents to 77.79 cents. The duty on flour (all flour except flour from oats and barley) from 150 per cent of the wheat duty plus \$1.25 to 200 per cent of the wheat duty plus 29.78 cents. On May 19, the value of the import certificate on rye was raised from 36.30 cents per bushel to 54.46 cents. On May 26 the rye duty was raised from 54.46 cents per bushel to 90.76 cents and the feed barley tariff from 60.51 cents to 72.61 cents. There is practically no chance that under present circumstances the recent increase of the rye duty will have any effect on the German price level.

France

The wheat market in France during early May showed dullness with lower prices following rather heavy farm offers. Following May 10, the market improved. Farm offers were smaller and prices tended upward. It is thought that bad weather was a factor in the improved demand.

May was distinctly unfavorable for crops with cloudy weather and much rain resulting in spread of rust and occurrence of extensive lodging of the grain. Excessive weed growth was also reported. With good weather in June, which is normally a more critical time than May in the growth of wheat in France, conditions can be considerably improved, but with persistence of rainy weather in June, harvest would be materially lowered. At present, opinion is general that yields will be significantly lower than last year's very good yields. Rainy weather in May has also delayed the planting of late spring crops in France, with consequent poorer yield prospects, unless conditions are favorable during coming weeks.

Since our last report there have been some net exports of wheat and a total of probably about 18,000,000 bushels will be exported this season, as 12,860,000 bushels were exported up to the end of February, leaving net imports of about 22,000,000 bushels for the season, according to the way imports have been reported to date. Stocks appear to be heavier than a year ago contrary to the situation in many other European countries, but the new crop does not promise to be equal to the heavy crop of last year and should June weather be unfavorable, following a decidedly unfavorable May, the crop may not be more than average. The French Government has raised the tariff on wheat from 53 cents per bushel to 85 cents, which will hamper import business considerably beside restrictions already in force. There has been an important movement recently to extend the export bounty system to Algeria in which case it would be possible for that province to export some wheat to other countries beside France. It seems doubtful whether any such arrangement will be carried out, especially if France's crop is poor this year.

North Africa

Tunis

In the northern regions, which are the most important in Tunis from a cereal point of view (80 per cent of the wheat is grown there), satisfactory harvest for wheat and barley are expected which will probably equal those of last year. Frosts have done some damage to the crops in places.

In the central region, which is quite important for barley, and where nearly 10 per cent of the wheat is grown, crops were damaged by prolonged dry weather so they are expected to fall much shorter than last year. In the southern region, which is principally important for barley, droughts have had very damaging effects, but the harvest is expected to be somewhat better than that of the central region.

Algeria

In Algeria wheat and barley crops have been estimated below last year. The early part of the barley crop is now beginning to move. Frosts and droughts did some damage early in May to wheat in the important durum section of Constantine, but a fairly good crop is still expected.

Morocco

Prospects for wheat in Morocco in the north and center are good despite grasshoppers and some rust damage, but poor in the south due to droughts during growing season and some grasshopper damage. The total wheat crop will probably run below last year, and rust may do some damage to the late part of the crop. France has set Morocco's wheat duty free export contingent at 6,000,000 bushels or equal to last year, which was not reached last year and is not expected to be reached this year, although if prices improve this year it may bring out some wheat which was held back last year on account of unsatisfactory prices.

General

There has been no little discussion lately about extending the benefits of the export bounty system which was in force in France last year to Algeria. If this is done wheat exports from Algeria next season will probably exceed those of last season when some wheat was held back because of poor prices. At this time it is quite uncertain what action will be taken.

Italy

Imports of wheat into Italy experienced some pick up during the second half of April and in May. Business was more active and purchases of Australian, Argentine and North American wheat were made. It is expected that wheat imports during the last two months of this campaign will be above the monthly average for the whole campaign as the import market this time of the year is usually much more active than in the fall.

Imports of wheat amounted to 5,089,000 bushels in April 1930 compared with 3,649,000 bushels in March 1930. The total imports during the period July 1929 to April 1930 were 26,198,000 bushels compared with 73,821,000 bushels in the preceding year. It is unlikely that imports in May and also in June will be smaller than imports in April. It may be expected, therefore, that the total imports during the campaign 1929-30 may be somewhat larger than we estimated in our last report. It now appears that the total deficit for the crop year will be about 40,000,000 bushels.

Italy has taken much less wheat this year than usual compared with her crop. As pointed out in previous reports plentiful supplies of other domestic grains and cheap Argentine corn has to an important extent reduced the demand for wheat. As the season has progressed, this situation has become more apparent. The following Table demonstrates corn and wheat supply relationships for a number of years.

Italy: Imports and production of corn and wheat,
specified periods, 1927-1929 to 1929-30

Item and period	1926-27	1927-28	1928-29	1929-30
	1,000	1,000	1,000	1,000
<u>Corn</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
July - Dec.	8,503	8,661	23,503	12,676
Jan.	1,227	1,811	3,386	2,480
Feb.	1,102	1,614	3,740	2,362
Mar.	1,339	1,496	3,189	2,205
July - Mar.	12,164	13,582	33,818	19,723
Production	118,088	87,377	64,990	99,353
Total	130,252	100,959	98,808	119,076
<u>Wheat</u>				
Production and im-				
ports accumulated to end:				
of Mar.	282,813	250,553	294,535	281,821

It is now generally conceded that wheat will not be an exceptional crop as was thought a few weeks ago and may be only an average crop. May weather has been featured by excessive moisture generally and frequent heavy storms in places. The crop is yellow in places and rust has also appeared. In Sicily, where about 50 per cent of Italy's durum wheat is produced, recent reports indicate prospects materially below last year. From weather reports in other important southern Italian durum sections prospects in those sections must be somewhat below last year's good yields.

Netherlands and Belgium

Wheat markets in Holland and Belgium were weak and very quiet at the beginning of May. Later on the tone of the market improved somewhat and prices showed some strength. The demand from the side of domestic flour mills was quite active during recent weeks. Port stocks at Rotterdam have continued to decline and are now very small. Stocks at Antwerp have decreased considerably between April 30 and May 15 and are now much smaller than last fall.

Danube Basin

Quiet wheat markets in Danubian deficit countries during the first part of May developed more activity during the second half of the month when both Czechoslovakia and Austria reported improved interest as a result of better sales of flour. Quiet tendency to about the middle of the month was also prevalent on the surplus markets of the Danube region, while the second half registered considerable activity. Hungary sold chiefly to Italy, while Yugoslavia did some business with Austria. It is the opinion of the trade that stocks in

Danubian surplus countries are relatively small. The heavy decline in visible warehouse supplies is shown in the following figures:

Hungary: Stocks of wheat in public and cooperative warehouses, 1929-30

Date	:	<u>1,000 bushels</u>
Sept. 1	.....:	2,400
Dec. 2	.....:	4,700
Jan. 31	.....:	4,000
Feb. 22	.....:	3,600
Mar. 24	.....:	2,800
Apr. 12	.....:	2,200
May 3	.....:	1,600
May 17	.....:	1,200

Crop conditions in Rumania and Hungary at the present time indicate that wheat crops are somewhat better than last year when winter killing had reduced stands materially.

As a result of the increased trading activity in the Danube markets and curtailed supplies, prices tended upward and are now above the level at the end of April.

Hungary: Price per bushel of wheat, 79/80 kg. spot, at Vienna on specified dates, 1929-30

Date	:	Price at Vienna	:	Above (+) or below (-) Chicago futures, nearest month <u>1/</u>
	:	<u>Cents</u>	:	<u>Cents</u>
Sept. 6	.....:	126.14	:	- 5.86
Dec. 6	.....:	129.50	:	+ 3.36
Jan. 10	.....:	128.84	:	+ 0.09
Jan. 31	.....:	132.88	:	+ 3.75
Feb. 28	.....:	131.92	:	+ 28.30
Mar. 31	.....:	122.78	:	+ 13.90
Apr. 11	.....:	124.70	:	+ 16.82
Apr. 25	.....:	124.70	:	+ 20.82
May 6	.....:	124.70	:	+ 24.40
May 20	.....:	123.74	:	+ 19.49
May 26	.....:	126.62	:	+ 21.87

1/ Chicago prices for the preceding day.

Wheat and wheat flour: Danube shipments
to European countries 1/

Four week period <u>2/</u>	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30
	1,000	1,000	1,000	1,000	1,000	1,000
	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
Aug. 1-29	1,029	367	808	294	73	698
Aug.30-Sept.26:	294	845	845	1,323	257	3,013
Sept.27-Oct.24:	294	772	1,580	808	588	3,821
Oct.25-Nov.21:	110	220	1,800	331	625	3,160
Nov.22-Dec.19:	73	441	478	404	184	3,160
Dec.20-Jan.16:	37	919	551	147	184	808
Jan.17-Feb.13:	37	882	404	110	0	478
Feb.14-Mar.13:	0	955	184	147	110	661
Mar.14-Apr. 17 <u>3/</u>	0	404	147	147	147	992
Apr.18-May 22 <u>3/</u>	0	1,029	184	37	367	661
Aug.1-May 22	1,874	6,834	6,981	3,748	2,535	17,452

1/ Shipments down the Danube.

2/ For 1929-30. Other years nearest comparable period.

3/ Five weeks.

Poland

Wheat and rye prices are now considerably higher in Poland than two months ago. The market was firm during April as a consequence of small domestic offers. In May, however, prices weakened again very slightly, but the market situation remained generally sound. It seems that farm stocks are now small as farmers were forced to sell most of their grain earlier in the season to get ready money. Crop reports have continued favorable and there is a good chance that the 1930 crop will turn out as large as the last crop. The favorable crop reports have had an unfavorable influence on the market causing buyers to be very reluctant.

Soviet Russia

Shipments of Russian grain through the South Russian ports during the second half of April and the first half of May were rather small; with most of the shipments falling to the share of barley. Total shipments of the five chief grains from the Southern Russian ports since the beginning of the campaign up to May 21 amounted to 816,000 short tons distributed as follows:

	<u>1,000 bushels</u>
Wheat	4,593
Barley	24,756
Rye	1,535
Oats	827
Corn	984

A recent foreign press report, however, indicated that considerable quantities of Russian rye had been bought by German firms around May 20.

Sowing campaign

The total acreage sown to all crops up to May 25 amounted to 157,650,000 acres or about 67 per cent of the plan. This includes technical crops which are about 20 per cent of the total. The progress of sowing by individual peasants frequently mentioned in previous reports has improved but is still too slow in several regions and is an important factor in the success of the spring sowing campaign during the closing weeks.

A considerable acreage still remains to be sown and much will depend upon development of sowing in regions where it is still continuing, particularly in important eastern grain producing sections of the Union, where spring was late this year and sowing had not come into full swing by May 15.

With the number of factors involved it is difficult at present to say to what extent plans for the spring sowing campaign will be actually executed, but it seems that acreage of spring wheat will fall much below the plan but still be near last year's acreage. The total wheat acreage sown up to May 25 appears to have been about 69,000,000 acres compared with 75,721,000 acres in 1929. Final figures may show an acreage equal to last year. The situation is also uncertain with respect to other grain crops, with a decline of acreage under barley and oats together apparent in the southern regions, where a decrease of more than 10 per cent appears to have taken place.

More than 37,000,000 acres of spring wheat had been reported sown to May 20 which leaves a large amount yet to be sown, principally in the eastern and northern regions. There has been an increase of about 15 per cent or around 3.7 million acres in spring wheat in the principal producing regions of the Union, comprising Ukraine, North Caucasus, Middle and Lower Volga and the Central Black Soil region. The corresponding increases for each of these regions

separately were as follows:

	<u>Per cent</u>
Ukraine	11
North Caucasus	13
Middle Volga	14
Lower Volga	23
Central Black Soil.	44

This increase of acreage under spring wheat in the southern and central regions of the Union is of considerable importance, as it has taken place in regions which from a geographical point of view are best suited to exportation (nearness of ports) and have, therefore, supplied the bulk of grain exports in the past. The increase in these regions seems to have taken place to a large extent at the expense of oats and barley.

Crop conditions

Conditions during April were distinctly unfavorable to crops in large sections of the Union. Drought was experienced in the eastern sections, comprising the two Volga regions, Kasakstan, parts of the Central Black Soil region, with shortage of moisture also reported from Ukraine and northern section of North Caucasus. However, rains occurred during the first 10 days of May which improved the condition of crops considerably, although moisture was still insufficient in parts of the Volga region, Crimea and in North Caucasus. At the same time, cold and mostly dry weather, hampered the development of crops in the Ural, Western and Moscow regions, with the Central Black Soil region also experiencing low temperatures. No actual crop condition figures are yet available for the Union as a whole, but it appears that on May 10, spring crops were average and partly below in Bashkiria, Middle and possibly Lower Volga, as well as Transvolga regions, while they were average in the eastern and central regions of Ukraine and somewhat above average in North Caucasus and the other sections of Ukraine.

Developments in the eastern section of the Union should be followed closely as this section sows about 50 per cent of the total acreage for spring wheat which in Russia is about 70 per cent of all wheat grown. As weather conditions in these sections were unfavorable in April with dryness still reported after the middle of May, unless conditions improve, the outturn of the 1930 wheat crop will be affected unfavorably.

As to winter crops local reports from North Caucasus and Ukraine, the most important producers of winter wheat, run favorable with conditions in these two regions reported above average but rather poor in Crimea, where crops are suffering from drought. Conditions about average are reported for winter rye in the Central Black Soil region, and spotted in the Ural region, crops in the latter region having experienced considerable winter kill and winter damage. Weather conditions prevailing at the beginning of May were also rather unfavorable in the latter two regions. All in all, it seems that winter crops are above average and better than last year.

Wheat: Balances for the season July to June 30, 1928-29
and 1929-30

Country and item	1928-29	1929-30
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
<u>GERMANY</u>		
Production	141,593	123,073
Net imports:		
July - Apr	56,562	56,236
May - June	11,936	
Apparent utilization	210,091	
<u>ITALY</u>		
Production	228,593	260,671
Net imports:		
July - Apr	71,965	26,000
May - June	17,779	
Apparent utilization	318,342	
<u>FRANCE</u>		
Production	231,285	319,863
Net imports:		
July - Mar	33,815	24,000
Apr - June	17,155	
Apparent utilization	332,255	
<u>BELGIUM</u>		
Production	17,215	13,225
Net imports:		
July - Mar	30,741	32,189
Apr. - June	10,625	
Apparent utilization	58,581	
<u>NETHERLANDS</u>		
Production	7,336	4,666
Net imports:		
July - Apr	24,032	24,304
May - June	4,788	
Apparent utilization	36,156	
<u>CZECHOSLOVAKIA</u>		
Production	51,499	52,902
Net imports:		
July - Apr	14,935	10,000
May - June	2,253	
Apparent utilization	68,692	

Continued -

Wheat: Balances for the season July to June 30, 1928-29
and 1929-30 - Contd

Country and item	1928-29	1929-30
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
<u>SWITZERLAND</u>		
Production	4,270	1/ 5,791
Net imports:		
July - Apr	12,663	14,000
May - June	2,632	
Apparent utilization	19,765	
<u>GREECE</u>		
Production	13,035	8,502
Net imports:		
July - Mar	15,050	17,000
Apr - June	7,093	
Apparent utilization	35,228	
<u>DENMARK</u>		
Production	12,236	11,721
Net imports:		
July - Mar	10,606	5,914
Apr - June	6,438	
Apparent utilization	29,230	
<u>POLAND</u>		
Production	59,219	65,862
Net imports:		
July - Mar	3,469	19
Apr - June	290	
Apparent utilization	62,973	
<u>SWEDEN</u>		
Production	19,155	19,031
Net imports:		
July - Apr	6,443	6,353
May - June	1,110	
Apparent utilization	26,708	
<u>FINLAND</u>		
Production	998	1,095
Net imports:		
July - Apr	4,966	5,000
May - June	1,129	
Apparent utilization	7,093	
<u>LATVIA</u>		
Production	2,499	2,536
Net imports:		
July - Jan	2,000	2,000
Feb - June	1,000	
Apparent utilization	5,499	

1/ Includes spelt.

Wheat, including flour: Shipments from principal
exporting regions, specified dates, 1929-30

Date	Argentina	Australia	Danube	North America
	1,000	1,000	1,000	1,000
	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
Dec. 7.....	3,408	524	736	8,153
14.....	3,312	1,056	360	5,350
21.....	2,208	1,036	1,240	3,626
28.....	3,208	2,132	144	3,417
Jan. 4.....	1,512	1,180	200	4,868
11.....	2,316	1,772	328	5,678
18.....	2,580	2,072	144	6,230
25.....	4,216	2,728	80	5,619
Feb. 1.....	2,732	1,220	128	6,212
8.....	2,416	2,056	16	6,136
15.....	2,892	1,592	272	5,203
22.....	3,048	2,064	96	5,540
Mar. 1.....	3,028	2,260	0	3,050
8.....	2,680	2,304	96	5,746
15.....	2,284	1,484	496	5,641
22.....	1,516	1,248	360	3,602
29.....	2,412	1,696	376	5,870
Apr. 5.....	3,152	2,012	88	5,586
12.....	4,124	868	120	4,886
19.....	1,696	1,248	40	4,183
26.....	1,600	390	128	3,902
May 3.....	1,572	1,536	120	5,912
10.....	2,500	1,904	144	5,121
17.....	1,092	960	112	7,813
24.....	1,540	1,204	144	6,724
31.....	2,085	1,600	144	8,153
June 7.....	2,307	1,336	104	8,348

Compiled from official and trade sources.

Wheat, including flour: Exports from the United States by countries,
July-April 1928-29 and 1929-30

Country to which exported	Wheat, including flour		Wheat		Wheat flour	
	July - Apr.		Apr.		Apr.	
	1928-29	1929-30	1929	1930	1929	1930
	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels
United Kingdom.....	15,880	27,378	285	850	85	85
Irish Free State.....	3,395	3,319	441	47	2	16
Netherlands.....	9,192	8,228	24	261	42	78
Italy.....	4,969	719	4	8	1	3
Greece.....	3,783	6,869	37	1/	8	5
Belgium.....	2,671	5,704	286	449	1	2
Germany.....	2,603	5,989	76	72	28	23
France.....	2,141	2,024	0	26	1	1/
Denmark.....	2,012	2,359	37	8	37	38
Finland.....	1,573	1,238	0	0	42	31
Gibraltar.....	1,159	3	0	0	0	0
Norway.....	962	1,557	0	0	18	19
Sweden.....	536	625	0	0	14	7
Malta, Gozo and Cyprus..	163	335	0	0	3	1
Other Europe.....	4,097	1,935	324	0	6	15
Total Europe.....	55,136	68,282	1,514	1,721	288	323
Canada.....	33,300	12,842	1,903	262	7	9
Panama.....	4,514	5,243	0	564	7	10
Cuba.....	4,746	4,761	1/	1	102	88
Mexico.....	2,415	2,563	260	141	11	8
Haiti, Republic of.....	1,766	929	0	0	36	28
Brazil.....	3,361	2,906	0	1/	66	91
Peru.....	1,301	370	0	0	11	11
Colombia.....	895	757	50	32	6	9
Japan.....	4,600	9,050	210	319	43	20
China.....	6,690	2,665	1/	1/	199	42
Hongkong.....	3,738	3,245	0	0	27	55
Kwantung.....	1,834	4,007	0	0	40	18
Philippine Islands.....	3,175	2,798	0	0	56	53
Other countries.....	11,086	10,144	5	10	209	169
Total exports.....	138,557	130,562	3,942	3,050	1,108	934
Total imports.....	18,844	10,076	1,433	804	1/	1/
Total reexports.....	35	55	15	1	1/	1/
Net exports.....	119,748	120,541	2,524	2,247	1,108	934

Compiled from official records of the Bureau of Foreign and Domestic Commerce.

1/ Less than 500.

Wheat: Exports from the United States, by countries, averages 1909-13, 1923-27, year 1928 and July-March 1928-29 and 1929-30

Country to which exported	Year beginning July 1			July-Mar.	
	Average	Average			
	1909-13	1923-27	1928	1928-29	1929-30
	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels
United Kingdom	21,806	29,801	16,276	12,254	20,252
Netherlands	8,351	10,669	5,149	4,858	4,491
Italy	2,367	11,455	5,047	4,891	588
Greece	62	2,933	3,592	3,555	6,753
Irish Free State	—	1,942	3,551	2,824	2,696
Belgium	7,195	8,299	3,232	2,332	5,210
Spain	26	246	3,178	2,463	129
France	3,002	7,714	2,215	2,114	1,983
Germany	6,155	4,890	1,674	1,312	4,055
Gibraltar	35	320	1,147	1,147	0
Portugal	551	151	843	843	1,162
Denmark	561	395	301	264	246
Sweden	54	581	141	141	159
Norway	44	371	30	19	17
Russia in Europe	135	3	16	16	0
Malta, Gozo and Cyprus Islands	120	197	15	15	214
Finland	1/	30	0	0	2/
Poland and Danzig	--	0	0	0	218
Turkey in Europe	0	250	0	0	0
Other Europe	22	652	238	194	106
Total Europe	50,486	80,899	46,645	39,242	48,277
Canada ^{3/}	1,776	33,330	41,190	31,015	12,092
Panama	2	1,674	5,556	4,101	4,215
Japan, including Chosen	2,338	6,635	3,782	3,562	8,092
Mexico	1,179	1,436	2,475	1,725	1,994
China	10	1,953	1,241	1,241	137
Peru	162	426	886	868	0
Cuba	29	58	39	31	37
Australia	2/	25	37	37	0
Kwantung	0	20	4	0	0
Hongkong	8	2/	1	1	10
Chile	2/	84	1	1	0
Brazil	1	624	2/	2/	2/
Philippine Islands	2/	7	0	0	0
British South Africa	65	29	0	0	22
Other countries	857	689	1,257	1,042	751
Total	56,913	127,944	103,114	82,866	75,627

Compiled from Foreign Commerce and Navigation of the United States and official records of the Bureau of Foreign and Domestic Commerce.

1/ Included with Russia. 2/ Less than 500. 3/ These figures include that which goes in transit to other destinations.

Wheat flour: Exports from the United States, by countries, averages
1909-13, 1923-27, year 1928 and July-March 1928-29
and 1929-30,

Country to which exported	Year beginning July 1			July - Mar.	
	Average	Average	1928	1928-29	1929-30
	1909-13	1923-27	1928	1928-29	1929-30
	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels	1,000 barrels
Netherlands	819	1,499	1,084	874	661
United Kingdom	2,713	1,475	885	626	1,250
Denmark	214	314	423	327	110
Finland	214	476	400	293	232
Germany	187	1,038	312	231	373
Norway	213	229	259	182	309
Sweden	43	88	96	70	92
Greece	1	323	49	33	20
Irish Free State	—	47	39	26	106
Malta, Gozo and Cyprus Islands	8	32	37	29	25
Italy	11	57	21	15	24
Belgium	13	55	15	10	8
Franco	7	5	6	5	3
Portugal	2	3	4	3	2
Estonia	—	10	3	2	2
Gibraltar	20	3	3	3	1
Poland and Danzig	—	36	1	1/	1
Russia in Europe	67	59	1	1	0
Spain	2	1	1/	1/	0
Switzerland	1/	2	0	0	0
Turkey in Europe	2	7	0	0	0
Other Europe	9	57	69	42	46
Total Europe	4,605	5,816	3,708	2,772	3,567
China	264	953	1,242	961	196
Cuba	856	1,181	1,204	902	916
Hongkong	1,121	745	368	768	635
Brazil	567	772	831	649	527
Philippine Island	279	633	802	620	542
Kwantung	32	314	428	351	634
Venezuela	161	130	248	137	233
Japan, including Chosen	614	67	216	133	116
Mexico	31	231	115	80	83
Peru	120	89	111	81	68
Panama	133	95	110	81	89
Canada 2/	83	75	99	75	95
Chile	48	31	16	15	18
British South Africa ...	9	6	12	8	9
Australia	1/	1/	7	7	1/
Other countries	1,756	2,241	2,371	2,212	1,880
Total	10,679	15,379	12,888	9,902	10,106

Compiled from Foreign Commerce and Navigation of the United States and official records of the Bureau of Foreign and Domestic Commerce.

1/ Less than 500. 2/ These figures include that which goes in transit to other destinations.

Wheat: United States exports to specified countries, 1927 - 1929

Country to which exported	Calendar year		
	1927	1928	1929
	1,000 bushels	1,000 bushels	1,000 bushels
Azores and Madeira Islands...	603	2	11
Czechoslovakia	1,998	0	87
Irish Free State	3,596	3,119	3,249
Yugoslavia	0	194	0
Costa Rica	57	1/	1/
Guatemala	0	1/	171
Honduras	9	26	80
Salvador	74	0	74
Newfoundland and Labrador ...	0	0	13
Jamaica	5	1/	5
Dominican Republic	19	15	10
Argentina	2	2	1/
Colombia	233	376	410
Ecuador	39	0	0
British India	0	15	0
Ceylon	0	33	0
Palestine	0	20	21
Syria	0	130	131
Turkey	0	313	161
French Oceania	1/	1/	1
Belgian Congo	12	0	8
Other British S. Africa	0	1	0
Egypt	0	55	0
Algeria and Tunisia	16	0	0
Morocco	0	13	0
Mozambique	0	5	0
Other Portuguese Africa	1	0	0
Total	6,664	4,324	4,432

Compiled from Foreign Commerce and Navigation of the United States.

1/ Less than 500 bushels.

Wheat flour: United States exports to specified countries, 1927 - 1929

Country to which exported	Calendar year		
	1927	1928	1929
	1,000 barrels	1,000 barrels	1,000 barrels
Austria	23	10	22
Azores and Madeira Islands	65	45	43
Czechoslovakia	2	1/	4
Iceland	3	1	1
Irish Free State	72	43	84
Latvia	1	1	1
Lithuania	1	1	1/
Yugoslavia	2	3	1
British Honduras	20	14	18
Costa Rica	116	126	119
Guatemala	151	208	185
Honduras	56	59	56
Nicaragua	80	88	79
Salvador	113	133	137
Newfoundland and Labrador	35	40	90
Bermudas	10	7	10
Barbados	13	14	16
Jamaica	114	61	56
Trinidad and Tobago	4	6	14
Other British W. Indies	8	12	13
Dominican Republic	113	123	120
Dutch West Indies	32	39	55
French West Indies	113	89	135
Haiti, Republic of	265	411	277
Virgin Islands	22	22	22
Argentina	2	1/	1
Bolivia	143	82	84
Colombia	86	154	138
Ecuador	127	110	101
British Guiana	3	2	4
Surinam	31	27	33
French Guiana	6	5	7
Paraguay	0	1	1/
British Malaya	33	42	19
Ceylon	0	0	10
Java and Madura	1/	10	20
Other Dutch East Indies	1	13	26
Iraq	0	0	3
Palestine	27	31	46
Russia in Asia	1	3	3
Syria	20	86	43
Turkey	1/	1/	51

Continued

Wheat flour: United States exports to specified countries,
1927 - 1929 - continued

Country to which exported	Calendar year		
	1927	1928	1929
	1,000	1,000	1,000
	<u>barrels</u>	<u>barrels</u>	<u>barrels</u>
British Oceania	1/	1	3
French Oceania	23	23	21
New Zealand	1/	1	4
Belgian Congo	1	2	3
British East Africa	3	4	2
British West Africa	176	198	0
Egypt	221	181	235
Algeria and Tunisia	1	0	1
Other French Africa	21	24	39
Liberia	1	3	1
Morocco	128	39	90
Mozambique	1/	2	3
Other Portuguese Africa	16	17	9
Canary Islands	35	42	35
Other Spanish Africa	137	53	33
Total	2,677	2,712	2,626

Compiled from Foreign Commerce and Navigation of the United States.

1/ Less than 500 barrels.

[illegible]

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

WH-51

July 28, 1930

WORLD WHEAT PROSPECTS

Indications are that the world's supply of wheat for the 1930-31 season is likely to be about the same as it was last year. For the Northern Hemisphere, outside Russia and China, crop prospects early in July indicated that total production in 1930 was likely to be only 50 million bushels in excess of last year. More recent unfavorable growing conditions in important regions indicate a smaller production, and a continuance of such conditions would result in a Northern Hemisphere crop smaller than last year. Production in the Southern Hemisphere cannot now be forecast, but if yields should be about average instead of low, as they were last year, the total world crop for 1930-31 would probably be around 100 million bushels in excess of last year's. As the carryover from last season is about 100 million bushels less than it was a year ago, this decrease would offset the increase in the crop. Prices of cash wheat in the United States are now about 50 cents per bushel lower than they were a year ago and these low prices will tend to stimulate the use of wheat for feed and in many countries to increase human consumption. The increase in consumption is likely to be further augmented by improvement in business conditions as the year progresses. With total supplies about equal to those of last year increases in consumption would further reduce the world carryover. World trade of the coming year will probably be increased not only by an augmented consumption, but also through importing countries building up their stocks of wheat. Indeed exports thus far in July indicate that world trade is already beginning to recover from its recent low levels.

The present burdensome carryover had its origin in the large world crop of 1927-28 which resulted in a large carryover into the crop year 1928-29. Very large crops in 1928-29 greatly increased the already large carryover, and the world carryover last year was by far the largest on record. A year ago, however, it had become evident that the wheat crop of Canada and the spring wheat crop of the United States would be small, and the wheat trade generally recognized that the world crop of 1929-30 would be a comparatively small one. At that time it appeared that the small crop might result in the amount carried over in the 1930-31 crop year being reduced to about normal levels. However, a combination of circumstances including a world-wide business depression accompanied by falling prices of all commodities, restrictions placed by many importing countries upon imports of wheat from other parts of the world, the decline in silver exchange, and large crops of other foodstuffs and of feed grains in Europe, resulted in a reduction in the amount of wheat consumed during the past year and in an even greater reduction in the amount of wheat which the importing countries have taken from other parts of the world. As the 1929-30 crop season was drawing to a close, the realization that wheat stocks in exporting countries had not been reduced to normal levels added to the discouragement of an already over-burdened wheat trade and prices in the United States have sagged to the lowest levels since 1914.

Despite the world-wide business depression and other unfavorable circumstances, last year's carryover has been reduced by about 100 million bushels. If the world crop should turn out as now seems probable, a total disappearance equal to last year's would leave the carryover about the same next July as it is this year, but it does not seem likely that the combination of circumstances which resulted in a reduced wheat consumption during the past year will again hold consumption to as low a level. Both a recovery from the present business depression

and the normal upward trend in world wheat consumption are likely to result in an increased use of wheat. Hence, it seems altogether probable that a year from now the world carryover may be much below its present level.

World production, acreage and crop conditions

Crop and weather condition reports indicate that the Northern Hemisphere wheat crop exclusive of Russia and China may be about 50 million bushels greater this year than in 1929 but well below the record crop of 1928. Production in the 15 countries so far reported totals 1,923,694,000 bushels against 1,860,877,000 bushels in 1929. Practically all of this increase is in India. The July 1 conditions in the United States indicated a crop of 807 million bushels, approximately the same as the crop harvested in 1929. The crop in Canada is now at the critical period of growth and although present conditions would indicate a crop of perhaps 60 to 75 million bushels greater than the 300 million bushels harvested in 1929, much will depend on weather conditions during the next few weeks. A continuation of the hot dry weather experienced during the early part of July would reduce the prospects materially.

Eight European countries have reported a total production of 651 million bushels against 645 million bushels a year ago but indicated reductions in other countries would reduce the total European crop, aside from Russia, about 70 million bushels below last year. Harvesting of the winter crop had been started in the Danubian countries by the middle of July and the yields and the quality of the grain are reported to be surpassing previous expectations. Germany has seeded the largest acreage since the war and the outlook is for a better crop than last year and probably equal to the good crop harvested in 1928. In Prussia, which furnished about 60 per cent of the total German wheat crop, production has been officially estimated at 85 million bushels against 72 million bushels in 1929. In France and Italy, the two most important producing countries aside from Russia, weather conditions have been unfavorable to the crop during a large part of the spring and summer. The Italian crop has been officially estimated at 220 million bushels, but some trade estimates are as low as 200 million bushels compared with 261 million bushels harvested in 1929. No official estimate of the French crop has been issued but trade estimates now range from 248 to 257 million bushels, compared with the 1929 official estimate of 320 million bushels which many believe was too low. Latest reports from Denmark and the Scandinavian countries were favorable.

The State Planning Commission of the U. S. S. R. in a report issued July 1 stated that the condition of the wheat crop, especially winter wheat was considerably above average.

Algeria, Morocco, and Tunis report a total crop of 58 million bushels, 20 per cent below the 1929 crop and 14 per cent below the 1928 crop. About 75 to 80 per cent of the wheat crop in these countries is durum.

The outlook for the feed grain crops in both Europe and North Africa is for smaller crops than last year which would tend to increase the demand for wheat.

It is too early to forecast the crops in the Southern Hemisphere. A record acreage has been reported sown in Australia, but this may include wheat sown for hay and hence may not be comparable with acreages reported as harvested for grain. According to reports received through the International Institute of Agriculture, growing conditions in Australia are favorable. Conditions in Argentina are also generally better than a year ago.

The total wheat acreage in 26 countries so far reported is 205,293,000 acres against 205,333,000 acres in 1929. The acreage in 24 Northern Hemisphere countries is reported at 186,647,000 acres, a decrease of 1.5 per cent from the 189,482,000 acres in 1929.

Wheat: Acreage, average 1909-1913, annual 1927-1930

Crop and countries reported in 1930 1/	Average: 1909-1913	1927	1928	1929	1930	Percentage 1930 is of 1929
	: 1,000 : : acres :	: 1,000 : : acres :	: 1,000 : : acres :	: 1,000 : : acres :	: 1,000 : : acres :	: Per cent
United States.....	47,957	58,784	58,272	61,103	59,024	96.6
Canada.....	9,945	22,460	24,119	25,255	24,583	97.3
Total North America(4)	59,236	82,578	83,694	87,669	84,844	96.8
Europe (14).....	63,571	59,754	60,570	60,617	61,331	101.2
North Africa (4).....	6,571	7,168	8,358	8,392	8,140	97.0
Asia (2).....	30,124	32,313	33,152	32,804	32,332	98.6
Total North Hemis.(24)	159,502	181,813	185,774	189,482	186,647	98.5
Chile.....	1,003	1,842	1,713	1,758	1,646	93.6
Australia.....	7,603	12,279	14,840	14,093	17,000	120.6
Total South Hemis.(2)	8,606	14,121	16,553	15,851	18,646	117.6
Total above count.(26)	168,108	195,934	202,329	205,333	205,293	100.0
Est. world total excl:	:	:	:	:	:	:
Russia and China.....	204,200	240,100	244,800	244,400	:	:
	:	:	:	:	:	:

1/ Figures in parenthesis indicate the number of countries included.

The Weather and the Canadian wheat crop

A study of the relation of weather to wheat production in Canada using correlation methods indicates that the rainfall in the months May to July is the most important factor in making the wheat yield per acre in Saskatchewan and Alberta, which two provinces produce most of the Canadian crop. September to November precipitation preceding planting is also indicated to be an important supplementary source of moisture for the plants. 1/

During the present season rainfall in Saskatchewan has been not far from average in the September to July period when past experience has shown rainfall to be an important factor in determining yield, and the yield per acre for Saskatchewan indicated by the study is 18.5 bushels or above average. In Alberta on the other hand a below average yield of 15.6 bushels is indicated. On the basis of these indicated yields and the Canadian estimate of acreage the total Canadian crop would be about 425,000,000 bushels. Two factors enter in, however, to point to a much smaller harvest this year than that indicated by the above studies.

The first is an important deficiency of soil moisture at the beginning of September and the other is the possibility of reduction in acreage due to wind damage late in May.

The ground at the beginning of spring was unusually dry in spite of a nearly average precipitation in the autumn, as a result of the unusually dry summer in 1929. Rainfall from April through August in 1929 totaled only 5 inches in Saskatchewan which is the lowest reported in that period in all of the 25 years studied, and about half of the average rainfall in the period. The next lowest was in the summer of 1917 when rainfall from April to August was about 7 inches. In view of the abnormal deficiency in subsoil moisture a reduction of the indicated yield in Saskatchewan to 16.5 bushels appears justified, and the crop thus indicated in all Canada by the Government estimate of acreage would be about 390,000,000 to 400,000,000 bushels.

1/ A straight line multiple correlation for Saskatchewan using seven weather factors ending with July gave a correlation of $R=.962$, $R=.943$, $Se=1.54$. Among the factors used, May to July precipitation gave a per cent determination of +39.6, September to November precipitation +19.8, January to March precipitation -19.0, and average daily temperature in June and July -4.3, of a total of 92.6 per cent of the variations in yield theoretically accounted for by the weather factors studied. In Alberta a combination of 4 weather factors used in a curvilinear correlation ending with July theoretically accounted for about 77 per cent of the variations in yield, the total precipitation in the period May to July plus that of the preceding September-November, being the most important factor. $P=.916$, $P=.877$, $Se=3.28$.

The acreage of wheat in Canada is reported officially at 24,583,000 acres according to the reports of July 10. There is some question as to whether this estimate took account of the probable abandonment reported in trade accounts as a result of the heavy wind damage late in May and early in June. Some reduction in estimate of the crop appears justified in the light of a possible reduction in the acreage estimate and further slight reduction to account for possible reduction in yield on the remaining acreage. It thus seems possible that the Canadian crop this year may not be more than 360,000,000 to 375,000,000 bushels.

Canada, precipitation and temperature preceding harvest and wheat yield per acre, average 1904-05 to 1927-28, annual 1927-28 to 1929-30

Item	Saskatchewan				Alberta			
	Average				Average			
	1904-05	1927-28	1928-29	1929-30	1904-05	1927-28	1928-29	1929-30
	to				to			
	1927-28				1927-28			
Precipitation, total :	Inches	Inches	Inches	Inches	Inches	Inches	Inches	Inches
for period- :								
Apr.-Aug - :								
preceding :								
planting... :	10.3	11.0	9.1	5.3	10.5	16.7	11.7	7.6
Sept-Nov... :	3.0	5.2	1.1	2.9	2.8	4.9	0.8	2.0
Dec..... :	0.6	0.4	0.4	1.3	0.7	0.9	0.3	0.8
Jan.-Mar... :	2.0	1.1	2.0	1.2	1.9	1.7	1.7	0.8
Apr..... :	0.9	0.9	0.5	1.0	0.8	0.8	1.8	1.8
May-June... :	5.1	5.7	3.8	1/(5.2)	5.1	6.7	3.2	1/(3.9)
July..... :	2.4	2.0	0.6	2/	2.5	2.9	1.5	2/
Temperature, :								
average :								
daily, Faren:								
heit..... :	Degrees	Degrees	Degrees	Degrees	Degrees	Degrees	Degrees	Degrees
Apr..... :	39.6	33.4	37.0	45	42.1	37.0	37.0	46
May..... :	51.1	57.6	47.5	50	51.9	57.7	50.0	49
June..... :	60.2	57.3	60.4	1/(60)	59.5	56.3	58.0	1/(58)
July..... :	65.3	65.2	67.4	3/	64.7	64.2	65.7	3/

- 1/ Preliminary figures for June, subject to considerable revision.
- 2/ Rainfall was below average in both Saskatchewan and Alberta the first half of the month according to preliminary reports.
- 3/ Temperatures the first 16 days averaged above the daily average for the month.

European feed grain and potato crops

The present outlook is for smaller feed grain crops in Europe than those harvested last year. The acreage under each of the grains, barley, oats and corn shows a reduction as compared with 1929. The prospects for the barley and oats crops were definitely reduced toward the end of June as a result of the hot, dry weather. The acreage sown to barley in eleven European countries which represent about one-half of the estimated European total aside from Russia is 0.4 per cent below 1929. Production in the seven countries which have reported so far totals 274 million bushels, a reduction of 2 per cent from 1929. The finer types of barley in the central European countries have been damaged by the heat and drought, but the feed barley of the Balkans appears in better condition. Germany, the most important barley producing country, has reduced acreage 2.1 per cent. The July 1 forecast of production in Prussia which accounts for about 55 per cent of the total German crop was 73 million bushels, a decrease of 10 per cent from 1929. The Rumanian crop has been officially estimated at 113 million bushels, about 12 million bushels below the 1929 harvest, but trade reports anticipate a crop above this figure. The production in Spain is estimated at 104 million bushels against 98 million in 1929.

The acreage sown to oats in seven countries which represent about half of the total European area is 22,425,000 acres, a decrease of 2.5 per cent from 1929. Germany reports an area of 8,401,000 acres, a decrease of 4.5 per cent from 1929 and the lowest since 1923. France reports a total of 8,583,000 acres the lowest since 1927. None of the more important producing countries have issued estimates of this year's crop. Five countries, Netherlands, Spain, Hungary, Rumania and Finland report a total production of 217 million bushels against 232 million bushels in 1929. The July 1 official forecast of the production of oats in Prussia where about 70 per cent of the German crop is grown was 289 million bushels compared with 359 million bushels in 1929 and 341 million bushels in 1928. The condition of the crop in Great Britain on July 1 was above average. Czechoslovakia also reported an above average condition on that date, but Austria, Poland and Germany reported conditions well below average.

Conditions in the corn producing countries would indicate crops below the record harvest in 1929. Agricultural Commissioner Steere at Berlin reported on July 18 that the corn crop in Rumania was developing favorably but rain was needed in many parts of the country. Rumania, however, has reduced the acreage to 10,340,000 acres, more than 1,500,000 acres less than the harvest area in 1929. France and Italy have made reductions of 10 and 8 per cent, respectively as compared with 1929. Hungary and Yugoslavia have not reported acreage. Trade reports mention deterioration in both countries due to the drought.

The outlook in the rye producing countries is for a total production approaching that of 1929. The crops in Germany and Poland showed marked deterioration during June, but the condition of the winter crops in both countries on July 1 was above average. Hungary and France also reported damage to the rye crop, but good conditions are maintained in Rumania, Yugoslavia, Czechoslovakia and Austria.

Italy and Netherlands are the only countries which have reported the acreage planted to potatoes in 1930. Acreage in both countries is less than in 1929. Austria, Czechoslovakia, Germany and Poland reported below average conditions on July 1.

World trade

Due to the curtailment of purchases by importing countries to the lowest possible levels, international trade in wheat was at a low level during June. Exports from the principal exporting countries for the month amounted to only 48 million bushels compared with nearly 72 millions during June 1929. Exports during June, however, were slightly larger than in May when they amounted to less than 44 million bushels. The month of June is normally a month of rather small exports because it marks the end of the old crop year in some of the importing countries and supplies of domestic wheat in these countries are beginning to come on the market.

Though total exports for all countries during June were much smaller than in June 1929, exports from the United States were almost precisely the same. The greatest difference in the June figures of these two years was to be found in the case of Argentina, which exported barely over 10 million bushels compared with more than 25 million a year ago. Exports of Australia and Canada were also somewhat below their levels of a year ago, whereas British India and Russia showed marked increases in terms of percentages, but total exports of these countries amounted to only about 2.5 million bushels.

During the first three weeks of July exports from the United States were much larger than during the corresponding weeks of last year. After remaining at about the same level as last year during the first two weeks of the month, there was a marked increase in the third week, exports of wheat for that week amounting to 3,962,000 bushels compared to 1,551,000 bushels a year ago, while wheat including flour in terms of wheat amounted to 4,944,000 bushels compared to 2,379,000 bushels during the corresponding week of 1929. Improvement in United States exports as compared to a year ago is indication of a much more favorable situation for avoiding congestion in United States markets.

Wheat including flour: Exports from principal exporting countries
April, May and June 1929 and 1930.

Country	Apr.		May		June	
	1929	1930	1929	1930	1929	1930 1/
	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels
United States	9,151:	7,438:	16,128:	10,270:	9,003:	8,990
Canada	10,554:	5,460:	31,153:	16,047:	29,794:	21,679
Argentina	22,381:1/10,572:		24,218:1/9,028:		25,391:	10,219
British India 2/.....	320:3/	210:	443:1/	0:	499:	1,456
Australia	17,619:1/4,518:		7,808:1/7,204:		6,975:	4,300
Russia 1/.....	0:	1,688:	0:	376:	0:	1,064
Danube & Bulgaria 1/...	88:	376:	384:	664:	32:	464
Total	60,113:	30,262:	80,135:	43,589:	71,694:	48,172

Compiled from official and trade sources.

1/ Preliminary.

2/ Not imports: April 1929 were 3,133,000 bushels, May 1929 were 1,473,000 bushels and June 1929 were 531,000 bushels.

3/ Sea-borne trade only.

Wheat including flour: Shipments from principal exporting countries

Country	Total shipments or exports		Shipments, weeks ending		Total shipments or exports from July 1-	
	1928-29	1929-30 1/	July 5	July 12	1929-30	1930-31
	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels
North America 2/...	499,942	301,342:	5,254	8,084	15,982	13,338
Canada 4 markets 3/:	453,649	193,380:	4,726	6,431	7,905	11,157
United States	163,687	149,822:	2,157	1,284	3,677	3,440
Argentina	217,139	161,368:	1,624	782	9,640	2,406
Australia	107,937	60,185:	1,512	1,000	2,560	2,512
Russia	8	5,672:	0	352	0	352
Danube & Bulgaria 4/	33,975	18,640:	80	168	120	248
British India .....5/	5,687	4,171:	472	532	56	1,064
Total 6/.....	864,688	551,378:	8,842	10,976	28,358	19,920
Total European						
shipments 7/.....	705,396	490,448:	11,320	---	10,840	11,320
Total ex-European						
shipments 7/.....	220,664	141,904:	1,568	---	2,944	1,568

Compiled from official and trade sources.

1/ Preliminary.

2/ Bradstreet's weeks ending Thursday, including flour converted at 4.5 bushels per barrel.

3/ Fort William, Port Arthur, Vancouver and Prince Rupert.

4/ Hungary, Yugoslavia, Rumania and Bulgaria.

5/ Not imports for year 1928-29 were 21,729,000 bushels.

6/ Total of trade figures include North America as reported by Bradstreet's.

7/ Totals as reported by Broomhall's Corn Trade News.

United States: Exports of wheat and wheat including flour, by
weeks 1929 and 1930.

Week ended	Wheat		Wheat including flour	
	1929	1930	1929	1930
	1,000	1,000	1,000	1,000
	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
Apr. 5	274	842	1,430	1,538
12	718	329	1,414	808
19	867	563	2,075	1,442
26	2,130	545	3,108	1,175
May 3	745	939	1,685	1,747
10	1,537	1,363	2,129	1,889
17	2,358	2,082	3,171	3,271
24	2,110	1,329	2,796	1,973
31	1,486	925	2,276	1,893
June 7	939	1,031	1,761	1,647
14	1,570	1,603	2,566	2,214
21	594	1,619	1,243	2,305
28	1,031	1,828	2,197	2,824
July 5	1,202	1,541	1,696	2,157
12	839	809	1,981	1,284
19	1,551	3,962	2,379	4,944

Compiled from weekly report of the Department of Commerce.

Wheat Prices

After making a slight recovery about the first of June, wheat prices sagged a little and then about the middle of the month declined markedly. During the latter part of June futures prices reached the lowest levels since 1914 and about the middle of July slightly lower levels than those of June were reached. At Chicago the lows of futures reached on July 14 were as follows: July, 85 7/8, September 88 3/4, December 94 3/4 cents per bushel. Thus far the recovery from the low levels has been small, closing prices on July 22 being 88 3/8 cents for the July futures, 91 1/2 cents for the September futures and 97 3/8 cents per bushel for the December futures.

Cash prices of all representative wheats at the principal primary markets averaged below \$1.00 per bushel for the week ending June 18. At Minneapolis No. 1 dark northern spring averaged 97 cents per bushel which was the same as for the previous week and 62 cents per bushel below the level of a year ago, while No. 2 amber durum averaged 87 cents per bushel compared with 146 cents during the corresponding week of last year. No. 2 red winter at St. Louis averaged 83 cents per bushel and No. 2 hard winter at Kansas City, 79 cents; both of these winter wheats were 2 cents per bushel below their levels of the previous week. No. 2 red winter at St. Louis was 60 cents per bushel below its level of a year ago and No. 2 hard winter at Kansas City, 51 cents below the average for the corresponding week of last year.

Wheat: Closing prices of September 1/ futures

Date	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires
	1929:1930	1929:1930	1929:1930	1929:1930	1929:1930	1929:1930
	Cents	Cents	Cents	Cents	Cents	Cents
June 5:	113	110	105	102	110	108
12:	111	106	103	98	108	105
19:	117	100	109	92	113	99
26:	116	95	108	88	114	95
July 3:	125	94	117	86	125	94
10:	127	92	119	84	127	92
17:	146	90	140	83	148	90
24:	146	91	140	84	149	91
31:	147		141		149	
Aug. 7:	135		130		136	

1/ October futures for Winnipeg and Liverpool. 4/ July futures.
 2/ Prices are of day previous to other prices. 5/ Price for July 10.
 3/ August futures.

Wheat: Weighted average cash prices at stated markets

Week ended	All classes	No. 2	No. 1	No. 2	No. 2	Western
	and grades	hard winter	dk.n.spring	amber durum	red winter	white
	six markets	Kansas City	Minneapolis	Minneapolis	St. Louis	Seattle
	1929:1930	1929:1930	1929:1930	1929:1930	1929:1930	1929:1930
	Cents	Cents	Cents	Cents	Cents	Cents
May 30:	95	102	94	102	112	110
June 6:	100	103	98	101	118	111
13:	103	100	102	98	120	110
20:	104	92	102	90	123	102
27:	110	87	109	84	130	98
July 4:	115	85	113	82	137	99
11:	119	83	117	81	141	97
18:	134	82	130	79	159	97
25:	133		129		155	
Aug. 1:	135		131		156	

1/ Weekly average of daily cash quotations basis No. 1 sacked 30 days delivery.

The course of wheat prices indicates the great change which occurred in market prospects during the past year. As shown in the accompanying Table of weekly average closing prices of wheat futures at Chicago, December futures during the latter part of last July averaged about 150 cents per bushel. The latter part of July marked the high point for December futures, but it did not mark the end of the expectation that cash prices would rise higher than those currently prevailing. During the month of August and even up into the first part of September, May futures at Chicago averaged around 150 cents per bushel or above, December futures and September futures were lower by more than their usual spread because of the serious congestion of elevator space.

Wheat: Average closing prices of futures at Chicago, by weeks, 1929-30

Week ended	Sept. futures	Dec. futures	May futures
	Cents	Cents	Cents
1929			
June 7	110.2	115.1	
14	111.5	116.6	
21	113.5	118.4	
28	118.4	123.6	
July 5	123.5	129.0	
12	126.7	132.5+	
19	142.4	148.3	
26	143.5-	150.6	
Aug. 2	146.2	153.9	
9	136.1	144.2	152.3
16	134.6	142.8	151.9
23	135.8	144.5+	153.9
30	131.8	141.1	150.8
Sept. 6	133.2	141.9	151.6
13	134.6	142.8	152.0
20	131.3	139.2	149.1
27	128.6	135.4	145.4
Oct. 4		134.4	144.7
11		135.5	146.3
18		132.1	143.2
25		125.4	136.6
Nov. 1		127.0	137.9
8		123.0	133.7
15		116.0	126.6
22		122.1	133.0
29		124.0	135.4
Dec. 6		128.6	139.7
13		122.2	133.6
20		119.4	130.2
27		123.9	133.6
1930			
Jan. 3			135.7
10			132.0
17			128.5
24			127.8
31			123.6
Feb. 7			120.1
14			122.1
21			116.6
28			111.5
Mar. 7			112.8
14			110.0
21			108.4
28			109.1
Apr. 4			111.8
11			114.3
18			108.3
25			104.1
May 2			102.6
9			101.0
16			103.5
23			104.7
30			106.5

During the week ending August 9 the average of September, December and May futures was 144.2 cents per bushel.

The course of May futures from August 1929 to May 1930 shows a general downward trend in prices throughout the entire period. After averaging about 150 cents per bushel during August and early September, the May future declined to about 145 cents by the first of October, 134 cents for the first week in November, 140 cents for the first week in December, and so on until finally during the month of May it averaged but 103.7 cents per bushel.

During the course of the present year three principal things have been of great importance in depressing wheat prices. Of primary importance is the world-wide business depression and the decline in the general price level. In the United States this depression may be said to have started about mid-summer of 1929. However, it was not generally recognized that there would really be a business depression until well along in the fall, and not until the spring of 1930 was the extreme severity and the world-wide scope of the depression fully recognized. The depression has tended to reduce actual wheat consumption through affecting the buying power of consumers, but more important still it resulted in a marked decline in the general price level and has reacted upon the speculative sentiment to which the wheat market is peculiarly susceptible. As a result of the business depression together with certain other factors, it now appears that wheat consumption during the 1929-30 season was over 200 million bushels less than during the previous year.

In addition to the depressed business conditions it became evident as the season progressed that stocks of wheat in European countries were abnormally large a year ago. This, together with the fact that the crops of France and Italy were at first underestimated, resulted in European supplies being much larger than was at first counted on, and as time passed the prospect of large exports to Europe were lessened.

Still another factor was the amount of supplies remaining in Argentina a year ago. It was not generally thought that Argentina would be able to ship out as large a quantity of wheat from July to December as actually turned out to be the case. Official crop reports of Argentina have been subject to error, and while it was generally recognized a year ago that the 1928-29 crop in Argentina had been underestimated, the extent of the underestimate was not realized.

The above mentioned factors together with the efforts of many importing countries in Europe to restrict imports from abroad resulted in the marked decrease in the demand for wheat from Canada and the United States and deeper and deeper discouragement of those who were counting upon exports to Europe to relieve North America from the very large stocks of wheat which had been accumulated.

The world wheat carryover

The world carryover of old crop wheat as of July 1, 1930 appears to be about 100 million bushels smaller than it was the year before. The stocks in the United States and Canada, however, are somewhat larger. The increase in the United States including both domestic and Canadian grain probably amounts to a little more than 20 million bushels, while the increase in Canadian stocks is about 10 million bushels. Australia also appears to have somewhat larger supplies of wheat than a year ago but stocks in other positions are much smaller. The decrease in the exportable surplus remaining in Argentina as of July 1 is estimated at 75 million bushels. The amount of wheat afloat was smaller by about 15 million bushels and United Kingdom port stocks were about 2 million bushels below their level of a year ago. Aside from Argentina, the biggest decrease appears to be in stocks of continental Europe which are estimated by the Foreign Service of the United States Bureau of Agricultural Economics as 55 million bushels under the level of July 1, 1929. The accompanying Table shows the estimates of stocks in different positions.

Wheat: Stocks and exportable surplus of old crop as of
July 1, 1929 and 1930

Country	1929	1930
<u>United States -</u>		
Domestic	245	275
Canadian	23	16
Total	268	291
<u>Canada -</u>		
Domestic	125	133
United States	3	5
Total	128	138
Argentina	125	50
Australia	33	45
United Kingdom - (Port stocks)	8	6
<u>Afloat -</u>		
To United Kingdom	8	11
" Continent	31	17
" Orders	14	10
Total	53	38
TOTAL	615	568
Continental Europe	1/ (155)	1/ (100)
TOTAL	(770)	(668)

For the United States, the figures represent total accounted for stocks; for Canada, Argentina and Australia they represent quantities remaining for export and carryover. ¹/Figures for Europe do not represent an actual estimate of stocks but are only to show estimated reduction of stocks of 55 million bushels

In the United States the total stocks of old wheat are tentatively estimated at 275 million bushels for July 1, 1930. The estimate for July 1, 1929 was 245 million bushels which included stocks in 5 different positions. At the present time figures are available on stocks in only three of these positions for July 1, 1930. Consequently, it appears that the best estimate which can now be made for July 1 stocks is on the basis of comparative stocks as of March 1, 1929 and 1930. On March 1 total stocks of wheat in the United States were estimated as almost exactly 20 millions larger than in 1929. While complete data on mill grindings and exports are not yet available, it appears that during the months from March to June of this year these items were somewhat smaller than last year and total stocks of old crop domestic wheat in the United States are consequently estimated to be about 30 million bushels larger than a year ago. Stocks of Canadian grain stored in the United States are official figures as compiled by the United States Bureau of Agricultural Economics.

For Canada two methods of figuring exportable surplus as of July 1 are available prior to the issuance of official figures on the carryover as of July 31. Both of these are shown in detail in the accompanying Table on following page. It will be seen that the one method results in a figure of 139 million bushels for exportable surplus as of July 1 and the other method, a figure of 128 million bushels exportable surplus. There seems to be no good reason for preferring one of these methods to the other as both are based on official estimates which are considered generally reliable. In view of this, a figure between the two may be used, and consequently it seems reasonable to estimate total quantities of domestic grain available for export and carryover as 133 millions. To this is to be added stocks of United States grown wheat in Canada which are reported as amounting to 5 million bushels.

Wheat: Calculation of exportable surplus in Canada as of July 1, 1930

Method I

	<u>1,000 bushel</u>	<u>1,000 bushel</u>
1. Gross crop		299,520
2. Loss in cleaning (3 per cent)		<u>16,028</u>
3. Net crop		283,492
4. Carryover Aug. 1, 1929		104,383
5. Imports (estimated)		<u>500</u>
6. Total available for distribution		388,375
<u>Domestic consumption--</u>		
7. Seed	42,000	
8. Food	<u>44,000</u>	
9.		<u>86,000</u>
10. Available for export as of Aug. 1		302,375
11. Exports wheat including flour, Aug.-June.....		<u>163,434</u>
12. Total remaining for export July 1		138,941

Items 1 to 10 are taken from the April Monthly Bulletin of Agriculture Statistics of the Dominion Bureau of Statistics, p. 107.

Item 11, exports, are computed from Summary of Exports of Canadian Grain and flour for June 1930 of the Dominion Bureau of Statistics.

Method II

	<u>1,000 bushel</u>	<u>1,000 bushel</u>
1. Stocks, Mar. 31, 1930		228,837
2. Seed.....	42,000	
3. Feed - 4 months.....	<u>16,000</u>	
4.		<u>58,000</u>
5. Available for export April 1.....		170,837
Exports wheat including flour -		
6. Apr.	5,460	
7. May 	16,046	
8. June 	<u>21,679</u>	
9.		<u>43,185</u>
10.		127,652

Items 1 to 3 are taken from the April Monthly, see p. 107. Items 6 to 8 are computed from data of the April, May and June issues of Summary of Exports of Canadian Grains and Flour.

The remaining exportable surplus of Argentina is about 50 million bushels. This is estimated on the basis of a production of around 170 to 175 million bushels and a carryover of 25 million bushels, as shown in the accompanying Table giving the supply and distribution of the last two wheat crops of Argentina. The official estimate of the production of Argentine is only 137 million bushels, but this seems to be an under-estimate, probably due largely to the under-estimation of the area in wheat. The evidences of under-estimated acreage together with correlation studies of wheat yields in Argentina, indicate a production well above the official estimate but not more than 175 million bushels. The resulting estimate of a 50 million bushel exportable surplus compares with an exportable surplus of 125 millions a year ago.

Argentina: Supply and distribution of the wheat crops, 1928-29
and 1929-30

Item	1928-29	1929-30
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
Production	350,000	170,000
Carryover	<u>12,746</u>	<u>25,000</u>
Total supply	362,746	195,000
Home consumption	85,980	85,000
Available for exports or carryover	276,766	110,000
Exports:		
Jan.-June	151,999	63,000
Surplus, July 1	124,767	<u>1/</u> 47,000
Exports:		
July-Dec.	97,931	
Balance, Dec. 31	26,836	

The official estimate of the 1928-29 production was 307,362,000 bushels and of the 1929-30 crop was 137,435,000 bushels. The estimates given above are based on studies of the Division of Statistical and Historical Research. The estimates of carryover on January 1, 1929 and the home consumption for the year 1929 are official data published in the "Times of Argentina," August 19, 1929. Official reports of exports for the year 1929 were compiled from Boletín Mensual de Estadística Agropecuaria. Estimates of exports for the period, January - June, 1930 are unofficial reports compiled from trade sources.

1/ Broomhall estimated the 1929-30 production at 180 - 190 million bushels. On this basis surplus on July 1 would be 20-30 million bushels greater than the figure here indicated.

In Australia, basing the estimated exportable surplus including carryover as of July 1 upon the official estimate of production, we would arrive at a figure of 49 million bushels as shown in the accompanying Table. Trade estimates, however, indicate that the official estimate of the Australian crop is too large by about 10 million bushels. If this be true, the actual exportable surplus amounts to only 39 million bushels. In view of the discrepancies between official and nonofficial estimates of the crop, it seems advisable to take a rough mean between them and figure the exportable surplus as 45 million bushels.

Australia: Supply and distribution of the wheat crop, 1928-29
and 1929-30

Item	1928-29	1929-30
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
Production	159,679	126,477
Carryover	7,000	10,000
Total supply	166,679	136,477
Home consumption	50,000	50,000
Balance for export or carryover ..	116,679	86,477
Exports:		
Jan. - June	83,583	37,324
Surplus, July 1	33,096	<u>1/</u> 49,153
Exports:		
July - Dec.	22,879	

Production estimates compiled from the Quarterly Summary of Australian Statistics, March 1930. Estimates of carryover at the beginning of 1929 and exports during the year 1929 compiled from the Monthly Crop Report of the International Institute of Agriculture. Estimates of carryover at the beginning of 1930 and exports January-June are unofficial estimates compiled from trade sources.

1/ Unofficial estimates of the 1929-30 crop average about 115 million bushels. On this basis the surplus on July 1 would be about 38 million bushels.

The Oriental situationChina

Reports from Mission stations indicate that the wheat crop in the lower Yangtze Valley will be above average this year according to a cable to the Foreign Service of the Bureau of Agricultural Economics from Agricultural Commissioner P. O. Nyhus at Shanghai. Heavy rains caused some damage in the low lying districts but favorable weather has resulted in generally high yields in the Great Plain. Some Missions report the best wheat crop in many years, resulting in generally low food prices.

Much of the wheat may find difficulty in moving to market because of restrictions upon river and rail transportation due to warfare in the north. However, Tientsin and other northern mills may be fairly well assured of very liberal supplies of domestic wheat, which, together with the unfavorable exchange rates, will limit the importation of foreign flour to small quantities. The administration of flour shipments between Shanghai and Tientsin have been complicated with the seizure of the Tientsin customs office by the northern government and by an edict of the Nanking government prohibiting exports of flour to this so-called rebel port of Tientsin. Although these measures have temporarily disturbed the trade, shipments can be made to ports near Tientsin and then be taken to Tientsin by rail or native boats, without any serious restriction to Shanghai flour shipments according to Mr. Nyhus.

Flour: Price per bag of 49 pounds at Tientsin,
China on specified dates, 1929-30

Date	American	Canadian	Japanese	Shanghai	Locally milled
	Cents	Cents	Cents	Cents	Cents
June 30	142	126		133	
July 31	145	129		138	
Aug. 23	145	130	133	141	155
Sept. 20	140	123		136	147
Oct. 31	138	117	120	132	147
Nov. 30	139	116	124	132	148
Dec. 31	138	120	122	130	144
Jan. 31	133	122	130	129	139
Feb. 28	128	112	120	120	132
Mar. 31	129	112	128	122	137
Apr. 30	126	110	125	125	134
May 31	108	104	104	110	114

Compiled from cabled reports from Consul General Gauss at Tientsin.

Price of wheat at mills and the wholesale price of
flour at Tokyo, Japan, July 1, 1929-July 1, 1930

Date	Wheat			Flour
	United States	Canadian	Australian	
	western white No. 2	No. 5		
	Cents per bushel	Cents per bushel	Cents per bushel	Cents per bag
July 1	160	155	162	157
Aug. 1	181		185	179
Sept. 1	174	173	175	180
Oct. 1	168	171	178	180
Nov. 1	168	170	178	180
Dec. 2	174		174	180
Jan. 3	168	174	183	183
Feb. 1	166	168	183	179
Mar. 1	161	150	164	175
Apr. 1	160	148	165	171
May 1	151	145	163	160
June 1	151	152	163	162
July 1	140	133	142	146

Compiled from cables received from Consul General Garrels at Tokyo.

Shanghai millers consider that the supply of domestic wheat is quite large but that a shortage may possibly develop by late December. All the mills are now operating. Prices at Shanghai in terms of gold are 80 cents per bushel for July wheat and 91 and 93 cents respectively per 49 pound bag for flour, for July and November delivery. Because of the depreciation in silver, some of these prices represent record prices in terms of silver. American wheat on the basis of 98 $\frac{3}{4}$ cents for December delivery at Chicago is quoted at \$1.14 per bushel, c.i.f. Shanghai.

India

Exports of wheat from Karachi, India, from January 1 to July 1 have amounted to approximately 2,300,000 bushels, the greater part of which has gone to the United Kingdom, although recently some shipments have been made to the Levant and other Mediterranean ports, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from the Consul General McNiece at Karachi. Shipments during July are expected to amount to about 2,000,000 bushels. Stocks of wheat at Karachi at the present time are about 5,600,000 bushels. There is a strong disposition on the part of both dealers and growers to dispose of surplus holdings because of favorable weather and indications of a good crop of the cheaper summer cereals. The low price of wheat and the general economic depression has placed the Indian wheat dealers in a critical financial condition and the failure of several important firms is reported imminent.

The Continental European situation during June 1930 1/

June opened with fairly active business on continental wheat markets, but buying slackened as the month progressed because of the favorable crop reports from North America, accompanied by weakening overseas prices. Buyers again reverted to the policy pursued for months past, the limitation of purchases to the lowest levels possible, because of indications that requirements could be covered later at more favorable prices. Only in countries where demand for domestic grain was strengthened artificially by milling, tariff and other measures was the market sustained, prices on other markets weakening in sympathy with overseas, though to a less extent.

These developments do not indicate any reduction in Europe's actual current requirements for foreign wheat or needs in months to come. The supply situation with respect to domestic wheat on the Continent has become less favorable in the past month through further heavy absorption of remaining stocks and somewhat less encouraging prospects for the new crop.

Continental weather conditions and crop developments during June, while varying widely, have not been very favorable on the whole. Prospects in France and Italy have become more unfavorable as a result of excessive rain, though the weather has been perhaps not as bad for crops as it was in May in those countries. In northern central Europe, across Germany, Czechoslovakia and Poland, the weather has been unusually warm and rainfall considerably below normal throughout most of the month, but particularly during the first half. Present indications are that the effect of the drought has varied greatly according to crops and types of soils, but with a probability that yields of oats, barley and rye will be reduced, especially those on light soils. Wheat will probably be affected less than other grains, but final judgment is not yet possible. Recent reports from Poland are even less favorable than for Germany. In the Danube Basin there is promise of unusually good crops with wheat likely to exceed last year's production by a considerable margin, though 1928 yields do not seem likely to be reached. Corn prospects at the moment are less promising, as the crop is in need of rain in several sections, but the carryover is quite large. Crop reports from Scandinavia and the Baltic States are generally favorable for all grain crops as drought has not affected these regions. Considering Europe as a whole, the wheat crop outlook remains generally good, although a smaller production than last year is indicated, but chances seem to favor reduction rather than increase in estimates later on.

The relatively small reaction in continental wheat prices which has accompanied the decline in North America is due to the reduced state of domestic supplies of grain in Europe, as well as to the existence of numerous official measures for the support of the market. In Germany, for example, the flour mills have encountered considerable difficulty in obtaining the volume of domestic wheat necessary to meet the 50 per cent milling requirements and, as a result, the Government reduced the required percentage of domestic wheat to 30 per cent beginning July 1. The tendency of prices under these conditions has been such as to make parity with overseas more attractive for the purchase of American wheat. At present low price levels and with continental stocks greatly reduced, there would doubtless be a sharp and heavy increase in continental purchases in the event of an upward turn in the market.

1/ By Agricultural Commissioner Loyd V. Steere, Berlin, Germany, June 28, 1930.
Supplemented by cable July 19th.

Wheat: Price per bushel in specified European cities

Date	BERLIN	PARIS	VIENNA	HUNGARY
	"Markischer" wheat spot	Domestic wheat nearest month	"Vienna Bodon" wheat spot	"Tisza" wheat 79/80 kg spot
	:1928-29:	1929-30:	:1928-29:	1929-30:
	Cents	Cents	Cents	Cents
Sept. 6	139	150	163	154
Dec. 6	134	158	163	141
Jan. 10	134	160	165	150
Jan. 31	140	155	166	142
Feb. 28	142	149	169	142
Mar. 31	145	166	167	141
Apr. 15	145	172	167	142
Apr. 25	147	180	165	135
May 6	146	186	165	128
May 20	143	189	162	140
June 6	138	202	165	138
June 20	140	196	162	142
July 4	159	188	1/169	1/148

1/ July 3.

Wheat: Price spread per bushel between Chicago and specified European cities 1/

Date	BERLIN	PARIS	VIENNA	HUNGARY
	"Markischer" wheat spot	Domestic wheat nearest month	"Vienna Bodon" wheat spot	"Tisza" wheat 79/80 kg spot
	:1928-29:	1929-30:	:1928-29:	1929-30:
	Cents	Cents	Cents	Cents
Sept. 6	+ 30	+ 18	+ 54	+ 22
Dec. 6	+ 19	+ 31	+ 48	+ 23
Jan. 10	+ 18	+ 31	+ 48	+ 21
Jan. 31	+ 16	+ 40	+ 44	+ 26
Feb. 28	+ 19	+ 39	+ 46	+ 32
Mar. 31	+ 28	+ 57	+ 40	+ 33
Apr. 15	+ 23	+ 64	+ 44	+ 34
Apr. 25	+ 33	+ 77	+ 51	+ 31
May 6	+ 34	+ 86	+ 54	+ 28
May 20	+ 41	+ 84	+ 57	+ 35
June 6	+ 31	+ 96	+ 59	+ 32
June 20	+ 31	+100	+ 50	+ 46
July 4	+ 39	+ 97	+ 54	+ 56

1/ Above (+) or below (-) Chicago.

The continued slow rate of importation into most European countries, and the small overseas shipments for some time past, indicate that the deficit on the Continent during the season 1929-30 will prove to be slightly smaller than hitherto anticipated - possibly 7,000,000 bushels below estimates at the end of May. Actual imports of the Continent for the season now promise to reach only about 250,000,000 bushels as compared with 390,500,000 bushels in 1928-29.

The indicated decrease of about 140,000,000 bushels in Continental imports this year is explained to the extent of some 22,000,000 bushels by the increase in production on the Continent, unless crops were underestimated. Assuming that they were not, the balance of 118,000,000 bushels was accounted for by decreased human and animal consumption and by the fact that there was a reduction instead of an increase in stocks. The latter is undoubtedly by far the most important factor. Analysis of production and trade figures and such stock statistics as are available, as well as trade opinion on the subject, indicates that about 83,000,000 bushels of the decrease in imports is due to changes in stocks. Of this amount, about 55,000,000 bushels represents the apparent decrease in stocks as of July 1, 1930, compared with July 1 last year, and about 28,000,000 bushels the extent to which last season's imports went to increase stocks as of July 1, 1929 in comparison with the previous July.

Changes in stocks, at best, are difficult to estimate, but it appears from study of the crop outturns, imports and exports, past disappearance, scattered stock figures, and trade reports, checked by private information from numerous correspondents in the grain trade, that stocks in practically all countries except France, and possibly Poland, are indicated to be exceptionally low as the season ends. The reduction in the Danube is particularly striking. Exports from the Danube this season have exceeded expectations based on the crop by an amount possible only through withdrawal from stocks carried over, which were important a year ago, and through substitution of corn for wheat in home consumption to some extent.

It also appears that allowance must be made in the stocks calculations for an increase during the 1928-29 season in the deficit countries of about 18,000,000 bushels at the end of the year. Imports were generally large during the last months of the season, and trade information that stocks were important, and even large, has been received from several countries, notably Italy. It is also believed that the carryover in the Danube on July 1, 1929 was around 10,000,000 bushels greater than a year earlier.

The remaining 35,000,000 bushels unaccounted for in the decrease in imports this season, can apparently be charged to reduced consumption of wheat by humans and livestock. Authorities on the grain trade in various parts of Europe have stated repeatedly that plentiful and cheap vegetables, rye and corn have cut down wheat requirements, and that feeding of wheat has been curtailed by cheap prices of feed-grains and the fact that the wheat crop was of exceptional quality.

The reduction of wheat stocks in the deficit countries applies equally to both domestic and imported grain, according to all reports. Recent increases in supplies at Antwerp and Rotterdam are only due to more or less temporary quietness in German demand. There is little reason to expect the present generally small port stocks to rise in the immediate future, with shipments from overseas continuing so small. It appears that Continental imports from May 15 to June 30 will average only about 4,600,000 bushels weekly as compared with 9,000,000 bushels during the same period. Imports from July 1, 1929 to May 15 amounted to about 4,800,000 bushels per week against 7,200,000 bushels during the same period last year.

Wheat: Stocks at certain continental European points

Date	Antwerp	Rotterdam	Hamburg 1/	Berlin	Hungarian warehouses
1929-30	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>
Oct. 31.....	3,800	2,800	-	710	4,800
Jan. 15.....	1,500	1,300	1,100	710	4,200
Jan. 31.....	830	1,200	1,100	880	4,000
Feb. 15.....	-	1,300	1,800	-	3,700
Feb. 28.....	960	1,400	1,800	1,000	3,500
Mar. 15.....	2,000	1,500	1,500	-	3,000
Mar. 31.....	1,500	480	1,700	920	2,600
Apr. 15.....	-	660	1,100	-	2,000
Apr. 30.....	1,500	290	920	880	1,700
May 15.....	1,200	170	620	-	1,200
May 31.....	680	550	290	550	740
June 15.....	890	800	260	-	510
June 30.....	-	700	220	220	400
:	:	:	:	:	:

1/ Rough estimate.

Wheat: Average weekly net imports into
the Continent of Europe

Season	1928-29	1929-30
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
Estimate July 1 - June 30	7,496	4,777
July 1 - Dec. 15	7,532	4,189
Dec. 15 - Jan. 15	7,716	6,430
Jan. 15 - Feb. 15	4,997	4,005
Feb. 15 - Mar. 15	4,446	2,352
Mar. 15 - Apr. 15	10,950	7,018
Apr. 15 - May 15	8,635	4,960
Estimate May 15 - June 30	9,039	4,630
:	:	:

Germany

The wheat market was characterized during June by rather sharply rising prices for domestic grain in relation to overseas quotations, a development apparently based upon the reduction of stocks of domestic grain to a point where millers were having difficulty, or expecting difficulty, in securing wheat to meet the 50 per cent milling regulation. For a time, so little native wheat was offered in Berlin that it was not officially quoted. The market relaxed again following the Government's entertainment of proposals for revision of the milling regulations, and its eventual reduction of the percentage for domestic wheat to 30 per cent, effective July 1.

Import demand for wheat has remained restricted since the final increase in the tariff on April 26, but port arrivals are showing some increase in recent weeks. It is hard to see how somewhat larger takings can be avoided in the next two months, but buyers can be expected to take as little as possible as long as prices remain weak and uncertain. The uncertainty about the Government's grain policy with the new crop is also causing buyers to exercise caution. These tactics mean, however, that all stocks will be reduced to a minimum at the end of July or mid-August when the new domestic crop comes on the market. It is even possible that the 30 per cent milling percentage may have to be revised before the new crop is available.

Germany: Price per bushel of domestic wheat and
rye, April 9 - July 2, 1930

Date	Wheat			Rye	
	Hamburg 1/	Breslau 2/	Berlin 3/	Berlin 4/	
	Cents	Cents	Cents	Cents	
Apr. 9	182	167	171	100	
16	180	167	173	101	
23	189	175	178	101	
30	193	178	185	100	
May 7	194	180	185	98	
14	192	178	183	99	
21	195	180	188	105	
28	200	185	193	105	
June 4	209	194	199	106	
11	215	194	-	106	
18	210	193	-	106	
25	203	185	190	106	
July 2	200	180	166	106	

1/ Wheat of any German district of at least 58.7 pounds per Winchester bushel.

2/ Wheat of any German district in carloads of 370 bushels of at least 58.7 pounds per Winchester bushel.

3/ "Markischer" wheat of 59-60 pounds per Winchester bushel.

4/ "Markischer" rye of at least 56 pounds per Winchester bushel.

France

The French wheat market in June was largely under the influence of domestic crop reports. Closing the month of May on a tone as a result of the unfavorable weather, the market weakened again the first week of June when better growing conditions appeared, but since the 10th has again strengthened. The return of the unusually rainy weather France has experienced this spring has now apparently destroyed all hope for a good crop, and it seems probable that not more than average yields will be obtained. Good weather is needed to prevent further deterioration in both yields and quality. Serious lodging from numerous heavy thunderstorms is reported, in addition to unfavorable development of the grain itself. Present conditions do not seem to promise a crop of more than 257,000,000 bushels as below average returns are expected in some sections of the country.

Recent reports state that French farmers are now offering very little wheat, partly for reasons of reduced stocks and partly in expectation of higher prices. Since the firmer development of the home market, French wheat has been less in evidence on the markets of neighboring countries, and is not expected to be much of a factor hereafter unless crop prospects take a much more favorable turn than now expected.

Italy

Following active business at the close of May and early in June, the Italian wheat market has been comparatively quiet since the raising of the duty from 73.5 to 86.7 cents per bushel on June 5. The chief business has consisted of purchases for later delivery, the volume of which was not unimportant. The end of June has also brought some pick-up with overseas prices reaching new low levels.

Wheat imports in May showed a further increase after the longer period of much reduced takings, amounting to 7,000,000 bushels compared with about 5,500,000 in April and 9,900,000 bushels in May last year. With total imports for the period July 1, 1929 to May 30 amounting to 34,000,000 bushels, it appears, however, that takings for the year ending June 30 will reach only 40,000,000 bushels or a little over, as compared with 92,000,000 bushels last season. Italy has come through the season on such small imports due to an exceptional crop, reduction of stocks carried over, and some curtailment of wheat consumption, probably in favor of corn, which is an important item of food in Italy.

On the basis of present reports, Italy promises to have unusually large wheat import requirements in 1930-31, as she goes into the new year with a very small carryover, a comparatively small wheat crop in prospect, and with the corn acreage reported as only about 70 per cent of last year's. The wheat crop has been a great disappointment, after giving exceptional promise through April. May brought an extremely unfavorable turn in weather that lasted most of the month, to be followed in June by additional damaging thunderstorms over large areas of the country. Trade reports indicate further deterioration in the outlook since the official estimate of 220,000,000 bushels early in June. As nearly as can be judged from available information, a crop of 200,000,000 or 210,000,000 bushels is about all that can be expected, though such an estimate is to be regarded as subject to revision, probably in the near future. Damage to the crop is reported

from most parts of the country, north as well as south, and it appears that durum prospects have been definitely affected. An estimate of 15 per cent below last year has been heard, but this figure is probably conservative, particularly when quality is considered.

Netherlands and Belgium

Wheat markets in Holland and Belgium were active and firm at the end of May and early June, but thereafter were very quiet, with prices tending to decline in sympathy with world market developments. Sales during the month were confined largely to small quantities of first class overseas wheat for flour mills of western Germany, but June has seen a considerable increase in grain movements from Holland to Germany via the Rhine, doubtless as a result of earlier sales. At the very close of the month, a good revival of buying is indicated as prices have reached new low levels.

The port stocks at Antwerp and Rotterdam increased slightly from May 31 to June 15, but are still small. Trade reports state that there is no carryover of domestic wheat in Holland or Belgium, and stocks of foreign grain are definitely much reduced.

Danube basin

Wheat markets in the Danube surplus countries, and in Austria and Czechoslovakia in the Upper Danubian Basin, have been very quiet since the 10th of June, following a brisk and firm market in the first part of the month. Nevertheless, prices have been well maintained as compared with overseas during this period with the spread becoming much wider, i.e., more favorable for imports from overseas.

Wheat: Price per bushel, 79/80 kg. spot, at Vienna on specified dates, 1929-30

Date	Price at Vienna	Above (+) or below (-) Chicago futures, nearest month 1/
	Cents	Cents
Sept. 6	126.14	- 5.86
Dec. 6	129.50	+ 3.36
Jan. 10	128.84	+ 0.09
Jan. 31	132.88	+ 8.75
Feb. 28	131.92	+20.30
Mar. 31	122.78	+13.90
Apr. 11	124.70	+16.82
Apr. 25	124.70	+20.82
May 6	124.70	+24.40
May 20	123.74	+19.49
May 26	126.62	+21.87
June 20	132.37	+36.04

1/ Chicago prices for the preceding day.

Reports indicate that both Austria and Czechoslovakia have increased wheat imports to a considerable extent in the past two months, Austria partly in anticipation of a possible tariff increase, but Czechoslovakia probably more because of approaching exhaustion of supplies. May wheat imports of Czechoslovakia were larger than in May last year. Austrian takings are indicated to have been sufficient in the past two months to raise stocks of foreign grain to a point where they should be described as fairly important rather than low.

The surplus countries at the same time have continued to find wheat for export but with indications that such shipments are reducing stocks to exceptionally low levels, especially in Hungary and Yugoslavia. Rumania has shipped some wheat as the season closes but the amount has been relatively small, though the carryover is probably not quite so small as in the other countries.

Wheat and wheat flour: Danube shipments to European countries 1/

Four week period 2/	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30
	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels
Aug. 1-29	1,029	367	808	294	73	698
Aug.30-Sept.26:	294	845	845	1,323	257	3,013
Sept.27-Oct.24:	294	772	1,580	808	588	3,821
Oct.25-Nov.21	110	220	1,800	331	625	3,160
Nov.22-Dec.19	73	441	478	404	184	3,160
Dec.20-Jan.16	37	919	551	147	184	808
Jan.17-Feb.13	37	882	404	110	0	478
Feb.14-Mar.13	0	955	184	147	110	661
Mar.14-Apr.17						
3/	0	404	147	147	147	992
Apr.18-May 22						
3/	0	1,029	184	37	367	661
May 22-June 19:	0	2,094	294	0	37	478
Aug. 1-June 19:	1,874	8,928	7,275	3,748	2,572	17,930

1/ Shipment down the Danube.

2/ For 1929-30. Other years nearest comparable period.

3/ Five week.

Agricultural relief measures in the Danubian countries should be watched. In Hungary, the parliament is considering legislation involving some new and unusual features for raising farmers' returns. It is contemplated making it compulsory for processors of grain to buy certificates from the tax offices which will be given to the farmer for his wheat in addition to the prevailing market price, the coupon to be used by the farmer in payment of his taxes. If the processor exports grain purchased he receives back the value of his certificate. The system, therefore, does not influence the price paid for grain exported and only raises the price for grain and grain products when consumed in Hungary. This proposed legislation also contains a number of other features. Rumania has just abolished the export duty on all grains, a measure which can be interpreted as favorable for increased exports whenever crops permit, as seems likely to be the case this year. Yugoslavia and Rumania have also set up export institutes to facilitate and encourage agricultural exports. It is also reported, confidentially, that discussion of a Danube grain pool by these and the Hungarian Institute is now going on.

Wheat: United States production, exports and prices, by classes,
1923-24 to 1929-30

Production 1/							
Year beginning	:Hard red :	Durum	: Hard red :	Soft red :	White :	Total	
July	: spring :		: winter :	winter :			
	: Million :	Million :	Million :	Million :	Million :	Million :	Million
	: <u>bushels</u> :	<u>bushels</u> :	<u>bushels</u> :	<u>bushels</u> :	<u>bushels</u> :	<u>bushels</u> :	<u>bushels</u>
1923	: 127 :	55 :	241 :	272 :	102 :	797	
1924	: 192 :	66 :	365 :	189 :	52 :	864	
1925	: 156 :	65 :	206 :	170 :	80 :	677	
1926	: 121 :	48 :	360 :	229 :	73 :	831	
1927	: 202 :	83 :	317 :	181 :	95 :	878	
1928	: 203 :	102 :	385 :	139 :	86 :	915	
1929	: 140 :	56 :	344 :	183 :	78 :	806	
1930	: 154 :	60 :	340 :	175 :	78 :	807	

Exports 2/						
1923	2	19	27	11	20	79
1924	21	34	121	8	11	195
1925	5	27	10	2	19	63
1926	2	22	73	31	28	156
1927	6	31	65	14	30	146
1928	2	45	38	3	15	103
1929	2	12	55	3	18	90

Price 3/				
Year beginning July	No. 1 dark	No. 2	No. 2	No. 2
	: northern spring	: amber durum	: hard winter	: red winter
	: Minneapolis	: Minneapolis	: Kansas City	: St. Louis
	: Cents	: Cents	: Cents	: Cents
1923	124	106	105	107
1924	158	156	135	159
1925	165	144	163	169
1926	151	155	135	138
1927	141	132	135	149
1928	126	113	112	139
1929	129	119	120	130

1/ Estimates of production by classes are based on surveys made in 1920, 1923 and 1924 of the percentage of different varieties of wheat grown, supplemented by investigations and judgment of cereal specialists. All estimates are the result of applying percentages for each State to the production of each State as estimated by the Division of Crop Estimates save that durum estimates of four States are used directly. As there are changes from year to year in the relative amounts of the varieties of wheat grown and also changes in the relative yields per acre, these figures should be considered to be only rough approximations. 2/ Total as reported by the Department of Commerce. Distribution by classes made on basis of United States inspections for export by ports and inspections of United States wheat in the Eastern Division of Canada. 3/ Compiled by Division of Statistical and Historical Research. Prices are average cash price per bushel weighted by car-lot sales.

Wheat: Production in specified countries, average, 1909-1913,
1923-1927, annual 1928-1930

Country	Average : 1909- 1913	Average : 1923- 1927	1928	1929	1930 as of July 16
	1,000	1,000	1,000	1,000	1,000
NORTH AMERICA	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
United States	690,108	809,668	914,876	805,790	807,265
Canada	197,119	403,714	536,726	299,520	
Mexico.....	1/ 11,431	11,090	11,031	11,333	11,572
Guatemala.....	(200)	201	167	152	
Total.....	898,908	1,224,673	1,492,800	1,116,795	
EUROPE					
England and Wales.....	55,770	52,057	47,264	47,451	
Scotland.....	2,273	2,137	2,315	2,165	
Northern Ireland.....	287	191	183	142	
Irish Free State.....	1,310	1,111	1,186	1,184	
Norway.....	306	532	798	729	
Sweden.....	8,103	11,727	19,155	19,031	
Denmark.....	6,322	8,529	12,214	11,772	
Netherlands.....	4,976	5,646	7,336	5,467	7,165
Belgium.....	15,199	13,938	17,215	13,225	2/ 15,873
Luxemburg.....	615	498	713	305	
France.....	325,644	278,997	281,285	319,863	
Spain.....	130,446	146,581	119,835	154,249	160,568
Portugal.....	3/ 11,850	11,250	7,546	11,110	
Italy.....	184,393	210,456	228,598	260,639	220,000
Malta.....	193	279	289	293	
Switzerland.....	3,314	3,766	4,270	5,791	
Germany.....	131,274	105,962	141,593	123,073	
Austria.....	12,813	9,890	12,915	11,582	
Czechoslovakia.....	37,879	37,821	51,499	52,902	
Hungary.....	71,493	68,558	99,211	74,985	69,335
Yugoslavia.....	62,024	65,096	103,294	94,999	
Greece.....	3/ 16,273	10,620	13,083	8,502	
Bulgaria.....	37,823	34,771	49,153	34,448	53,682
Rumania.....	1/ 158,672	96,980	115,544	101,200	123,715
Poland.....	61,665	53,967	59,219	65,862	
Lithuania.....	3,264	4,204	6,327	9,329	
Latvia.....	1,475	1,977	2,499	2,536	
Estonia.....	364	799	1,037	1,268	
Finland.....	137	879	998	1,095	1,139
Total.....	1,346,180	1,239,289	1,406,626	1,435,027	
AFRICA					
Morocco.....	(17,000)	22,693	24,749	26,885	19,478
Algeria.....	35,161	27,542	30,302	33,307	29,174
Tunis.....	6,224	9,627	12,125	12,309	9,002
Egypt.....	33,662	38,513	37,296	45,223	
Total.....	92,047	98,375	104,472	117,729	

Wheat: Production in specified countries, average 1909-1913,
1923-1927, annual 1928-1930. - Continued

Country	Average 1909- 1913	Average 1923- 1927	1928	1929	1930 as of July 16
ASIA	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
India	351,841:	344,729:	290,864:	317,595:	386,848
Syria and Lebanon....	(4,000)	13,115:	6,490:	16,343:	
Japan	23,635:	27,521:	30,812:	30,495:	
Chosen.....	6,898:	9,736:	8,595:	8,320:	8,878
Total.....	386,374:	395,101:	336,761:	372,758:	
Total N.Hemisphere	2,723,489:	2,957,438:	3,540,659:	3,042,304:	
SOUTHERN HEMISPHERE					
Chile	20,062:	26,628:	29,679:	37,053:	
Argentina.....	127,059:	228,492:	307,362:	137,435:	
Union of South Africa ^{3/}	6,034:	7,307:	6,693:	10,275:	
Australia	90,497:	136,604:	159,379:	126,477:	
New Zealand	6,925:	6,347:	8,353:	7,100:	
Total	270,577:	405,378:	512,246:	318,357:	
Total, 46 countries:	2,994,066:	3,362,816:	3,852,905:	3,360,661:	
Est. world total..					
excl. Russia and					
China	3,041,000:	3,451,000:	3,975,000:	3,459,000:	
Russia	758,941:	672,678:	793,289:	758,908:	

^{1/} Four-year average.

^{2/} Winter only, about 99 per cent of the total crop.

^{3/} One year only.

Wheat including flour: Shipments from principal exporting
regions, specified dates, 1929-30

Date	Argentina	Australia	Danube	North America
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Dec. 7	3,408	524	736	8,153
14	3,312	1,056	360	5,350
21	2,208	1,036	1,240	3,626
28	3,208	2,132	144	3,417
Jan. 4	1,512	1,180	200	4,868
11	2,316	1,772	328	5,678
18	2,580	2,072	144	6,230
25	4,216	2,728	80	5,619
Feb. 1	2,732	1,220	128	6,212
8	2,416	2,056	16	6,136
15	2,892	1,592	272	5,203
22	3,048	2,064	96	5,540
Mar. 1	3,028	2,260	0	3,050
8	2,680	2,304	96	5,746
15	2,284	1,484	496	5,641
22	1,516	1,248	360	3,602
29	2,412	1,696	376	5,870
Apr. 5	3,152	2,012	88	5,586
12	4,124	866	120	4,886
19	1,696	1,248	40	4,183
26	1,600	390	128	3,902
May 3	1,572	1,536	120	5,912
10	2,500	1,904	144	5,121
17	1,092	960	112	7,813
24	1,760	1,204	144	6,724
31	2,104	1,600	144	8,153
June 7	2,344	1,336	104	8,348
14	3,080	468	80	7,441
21	2,672	1,840	160	5,448
28	2,123	656	120	6,757
July 5	1,617	1,512	80	5,254
12	1,029	1,000	168	---

Compiled from official and trade sources.

Wheat: Weighted average cash price per bushel at stated markets, by
weeks, 1928-29 and 1929-30 1/

		:All classes: No. 2 : No. 1 : No. 2 : No. 2 : Western :and grades:hard winter:dk.n.spring:amber durum:red winter : white :six markets:Kansas City:Minneapolis:Minneapolis: St. Louis : Seattle 2/ :1928-:1929-:1928-:1929-:1928-:1929-:1928-:1929-:1928-:1929-:1928-:1929- : 29: 30: 29: 30: 29: 30: 29: 30: 29: 30: 29: 30												
Week ended		:Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	
		:	:	:	:	:	:	:	:	:	:	:	:	
July	5	:	137	115	136	113	153	137	132	116	172	123	140	119
	12	:	132	119	128	117	149	141	124	123	155	124	135	122
	19	:	129	134	126	130	146	159	119	146	151	143	129	134
	26	:	122	133	118	129	138	155	117	144	147	141	124	132
Aug.	2	:	118	135	114	131	141	156	115	144	144	140	125	134
	9	:	108	124	105	121	127	139	103	127	134	131	118	130
	16	:	108	125	105	124	125	139	108	130	137	129	113	128
	23	:	108	128	104	122	123	141	109	131	137	134	112	128
	30	:	110	123	106	120	122	134	109	127	144	130	113	125
Sept.	6	:	110	128	106	125	125	137	104	132	147	138	113	126
	13	:	107	130	105	126	123	140	104	131	143	137	115	126
	20	:	108	128	107	125	126	138	107	127	145	134	116	123
	27	:	111	125	110	123	130	133	109	121	148	135	117	120
Oct.	4	:	107	126	110	124	125	135	109	127	145	133	118	120
	11	:	109	128	111	125	124	137	113	131	149	136	120	122
	18	:	105	125	109	121	121	134	108	131	147	132	120	120
	25	:	105	119	107	117	119	127	115	122	138	128	117	118
Nov.	1	:	110	121	112	119	124	128	121	122	140	131	117	121
	8	:	108	120	110	118	122	130	114	118	141	130	115	119
	15	:	109	115	113	113	123	125	110	111	146	122	117	116
	22	:	110	123	114	120	125	130	118	119	145	129	118	121
	29	:	109	125	114	121	125	132	116	121	145	132	118	125
Dec.	6	:	109	130	113	125	124	138	117	128	143	138	116	123
	13	:	107	122	111	120	121	130	107	124	141	132	117	124
	20	:	107	120	111	118	123	128	110	119	137	132	118	122
	27	:	106	123	110	122	120	132	109	122	135	135	116	124
		:												
Jan.	3	:	105	126	108	125	123	136	111	124	135	137	115	126
	10	:	108	123	108	121	125	133	---	122	141	136	116	126
	17	:	115	121	114	118	130	131	122	118	141	134	118	123
	24	:	118	122	119	118	132	131	138	119	142	133	120	123
	31	:	117	118	117	114	131	127	132	115	144	129	118	123
Feb.	7	:	117	117	117	112	134	125	132	111	139	123	118	116
	14	:	119	119	118	113	136	126	129	112	141	127	121	117
	21	:	120	115	120	112	139	125	130	104	145	121	122	112
	28	:	117	114	118	112	136	125	126	100	138	118	121	107

Continued

Wheat: Wighted average cash price per bushel at stated markets, - contd.
by weeks, 1928-29 and 1929-30 1/ - Continued

Week ended	:All classes: No. 2 : No. 1 : No. 2 : No. 2 : Western :and grades :hard winter:dk.n:spring:amber durum:red winter : white :six markets:Kansas City:Minneapolis:Minneapolis: St. Louis : Seattle2/ :1928-:1929-:1928-:1929-:1928-:1929-:1928-:1929-:1928-:1929-:1928-:1929-:1929- : 29: 30: 29: 30: 29: 30: 29: 30: 29: 30: 29: 30 :Cents:Cents:Cents:Cents:Cents:Cents:Cents:Cents:Cents:Cents:Cents:Cents:Cent. :												
Mar.	7	: 115	111	117	106	132	120	129	98	135	120	118	10
	14	: 117	102	119	100	132	113	123	94	139	119	121	10
	21	: 115	99	117	98	135	110	123	99	139	115	120	10
	28	: 110	100	112	100	128	112	117	97	130	117	116	11
Apr.	4	: 109	103	110	102	129	114	---	101	130	120	117	11
	11	: 112	108	114	107	130	118	118	103	130	120	117	11
	18	: 112	102	113	101	133	113	---	98	128	117	118	11
	25	: 107	99	107	98	125	109	119	94	122	114	116	10
May	2	: 107	99	107	97	123	110	112	96	118	113	115	10
	9	: 101	97	104	96	123	108	113	94	122	111	110	10
	16	: 103	101	103	98	124	110	109	98	118	115	109	10
	23	: 101	102	100	100	121	111	114	99	116	115	108	10
June	30	: 95	102	94	102	112	110	102	99	110	115	104	10
	6	: 100	103	98	101	118	111	114	98	111	113	108	10
	13	: 103	100	102	98	120	110	125	95	121	108	108	10
	20	: 104	92	102	90	123	102	109	88	121	101	111	9
	27	: 110	87	109	84	130	98	112	85	127	93	116	9

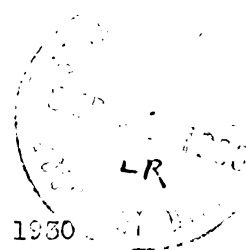
1/ For early weeks of 1930-31 see page 11.

2/ Weekly average of daily cash quotations basis No. 1 sacked 30 days delivery.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington



WH-52

August 22, 1930

WORLD WHEAT PROSPECTS

The world's supply of wheat for the 1930-31 marketing season now seems likely to be not very different from the supply available for the past season, according to the United States Department of Agriculture. Reductions in the crops of North Africa and of many European countries will offset increases in the United States, Canada and India. The reduction in the carryover of old wheat will about offset probable increases in the production of Argentina and Australia which had short crops last year. The demand for wheat, on the other hand, seems likely to be increased by smaller feed grain crops in the United States and in Europe.

In the face of a supply only about equal to that of the past season, prices are beginning the season on a much lower level. In view of the world-wide business depression and a lower general price level, lower wheat prices were to be expected. For the last week of July 1930 the general commodity price level in the United States had fallen to nearly 20 per cent below that of July last year. Prices in many other countries have fallen as in the United States, but wheat prices have fallen more than the general commodity price level. On July 31, September futures in Liverpool were quoted at the equivalent of 104 cents per bushel, as compared with 155 on the corresponding date a year ago, a decline of more than 30 per cent, and the reduction in Winnipeg prices was even greater than Liverpool. Kansas City futures closed the month about 60 cents below the level of prices at the end of July a year ago. There has been some improvement in prices since the end of July but they are still

relatively low. The spread between market prices in the United States and Liverpool is greater and has been more favorable to exports from the United States than a year ago. Evidences are beginning to appear that the decline in the general price level has about run its course and a turn in the general price level would soon become a strengthening factor in the wheat market.

Smaller stocks of old wheat in some European countries and shorter crops are likely to increase the European demand for wheat. In France poor crop prospects much more than offset the increase in stocks and have already resulted in changing milling restrictions so as to allow more foreign wheat to be used. In northern Europe weather conditions have delayed harvest and reduced the quality of the new wheat crop, thus making way for a relatively greater consumption of old wheat in July and August. It is now estimated that the European wheat crop outside of Russia will amount to about 1,300,000,000 bushels as compared with 1,456,000,000 harvested in 1929. To this reduction is to be added the estimated reduction of 55 million bushels in stocks of old wheat, indicating that the supplies available in Europe outside of Russia are likely to be about 200 million bushels less than in the past season. Furthermore, the supply of substitutes is likely to be smaller than in the past season. In southern Europe corn may be substituted for wheat as feed, but it now seems that the corn crop is likely to be considerably less than a year ago. The rye crop of northern Europe may be about equal to that of the past season, but the demand upon it for feed will be greater because of a shorter supply of the feed grains; and the potato crop probably will be smaller than in the past season.

A great reduction in feed crops in the United States will undoubtedly result in the feeding of large amounts of wheat. In fact, the wheat surplus over and above seed and food requirements is not sufficient to make up for the deficit in feed grains, but as long as prices in the markets of the United States remain so far below foreign market prices, exports will continue.

The value of wheat as a feed for livestock, in comparison with corn at various prices ranging from 50 cents to \$1.00 per bushel, is shown in the following Table:

Price of corn	Value of wheat (not including grinding) as feed for -	
	Poultry and sheep	Hogs and beef cattle
Cents	Cents	Cents
50	54	56
55	59	62
60	64	67
65	70	73
70	75	79
75	80	84
80	86	90
85	91	96
90	96	101
95	102	107
100	107	112

Table 1.- WHEAT: World supply, price and disappearance, 1920-21 to 1930-31

Year	Production							World produc- tion 2/
	United States	Canada	Argentina	Australia	Europe 1/	All other 2/		
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels		
1920-21 ..	833	263	156	146	949	601	2,948	
1921-22 ..	815	301	191	129	1,216	517	3,169	
1922-23 ..	868	400	196	109	1,044	608	3,225	
1923-24 ..	797	474	248	125	1,257	650	3,551	
1924-25 ..	864	262	191	165	1,058	610	3,150	
1925-26 ..	677	395	191	115	1,397	666	3,441	
1926-27 ..	831	407	230	161	1,210	596	3,435	
1927-28 ..	878	480	282	118	1,274	644	3,676	
1928-29 ..	915	567	3/ 350	160	1,407	574	3,973	
1929-30 4/	807	294	3/ 160	126	1,456	638	3,492	
1930-31 4/	821	(365)			5/(1,304)			
Average price per bushel								
	Shipments from Russia	Stocks 6/ accounted for July 1	Total supply	Total disap- pearance	British parcels (simple average)	No. 2 hard winter at Kansas City (weighted average)		
	Million bushels	Million bushels	Million bushels	Million bushels	Cents	Cents		
1920-21 ..	7/	302	3,250	2,942		183		
1921-22 ..	7/	308	3,477	3,187		120		
1922-23 ..	7	290	3,522	3,213		113		
1923-24 ..	21	309	3,881	3,536	121	105		
1924-25 ..	8/	345	3,495	3,223	179	135		
1925-26 ..	27	272	3,740	3,468	170	163		
1926-27 ..	49	272	3,756	3,424	163	135		
1927-28 ..	5	332	4,013	3,595	152	135		
1928-29 ..	8/	418	4,391	3,802	128	112		
1929-30 4/	6	591	4,073		131	120		
1930-31 4/		9/ 554						

1/ Excludes Russia.

2/ Excludes Russia and China.

3/ Unofficial.

4/ Preliminary.

5/ Mr. Steere - July report.

6/ Estimates of stocks revised to represent carryover in the United States and supplies available for export and carryover in Argentina, Australia and Canada, the United Kingdom port stocks and supplies afloat.

7/ Not available.

8/ Less than 500,000 bushels.

9/ European stocks reduced 55 million bushels between 1929 and 1930. Comparable data not available for earlier years.

Table 2:- BRAD GRAINS: Production, average 1909-1913, 1923-1927, annual 1928-1930

Crop and countries reporting in 1930	1/	Average 1909-1913	Average 1923-1927	1928	1929	1930	Percent- age 1930 is of 1929
		1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	Per cent
WHEAT							
United States, rev...		690,108	809,668	914,876	805,790	820,613	101.8
Canada, winter only...	2/	22,294	21,797	20,054	20,504	15,962	77.8
Mexico	2/	11,481	11,090	11,031	11,333	11,572	102.1
Total (3)		723,883	842,555	945,961	837,627	848,147	101.3
Total Europe (11) ..		852,207	800,974	930,091	910,965	928,993	102.0
North Africa (3) ...		58,365	59,930	67,176	72,501	57,672	79.5
Total Asia (3) ...		382,374	381,986	330,271	356,410	423,024	119.5
Total above countries (20) ..		2,016,849	2,085,445	2,273,499	2,177,502	2,260,846	103.8
Est. world total ex. Russia and China		3,041,000	3,451,000	3,973,000	3,460,000		
RYE							
United States, rev...		36,093	54,793	43,366	40,533	46,655	115.1
Canada, winter only...	3/	21,094	10,833	10,378	9,775	17,409	178.1
Europe (10)		522,216	395,687	467,596	464,839	480,485	103.4
Total coun. (12) ..		560,403	461,313	521,340	515,147	544,549	105.7
Est. world total ex. Russia and China		1,025,000	882,000	975,000	1,008,000		

1/ Figures in parenthesis indicate the number of countries included.

2/ Four-year average.

3/ Total.

Table 3.- FIELD GRAINS: Production, average 1909-1913, annual 1927-1930

Crop and countries reporting in 1930 1/	Average 1909-1913	1927	1928	1929	1930	Percent- age 1930 is of 1929
	1,000	1,000	1,000	1,000	1,000	
	bushels	bushels	bushels	bushels	bushels	Per cent
BARNY						
United States, rev.	184,812	265,882	357,487	303,552	306,215	100.9
Total Europe (11)	407,090	390,671	443,566	503,086	475,453	94.5
North Africa (3) ...	91,800	72,896	100,577	99,243	69,539	70.1
Asia (2)	128,027	117,794	115,634	117,986	115,865	98.2
Total above countries (17) ..	811,729	847,243	1,017,264	1,023,847	967,072	94.5
Est. world total ex. Russia and China	1,424,000	1,477,000	1,717,000	1,732,000		
OATS						
United States, rev.	1,143,407	1,182,594	1,439,407	1,253,574	1,316,369	106.7
Total Europe (9) ..	850,955	768,455	840,537	920,546	792,529	86.1
North Africa (3) ...	17,631	13,411	18,505	21,643	16,327	75.4
Total above countries (13) ..	2,011,993	1,964,460	2,298,449	2,175,763	2,125,225	97.7
Est. world total ex. Russia and China	3,759,000	3,488,000	3,926,000	3,762,000		
COBT						
United States, rev.	2,712,364	2,765,093	2,818,901	2,614,307	2,211,823	84.6
Hungary	60,813	68,347	49,592	70,631	50,745	71.8
Bulgaria	26,277	20,914	20,272	36,068	33,384	92.6
Morocco	(3,500)	4,854	6,863	5,455	5,157	94.5
Total above countries (4) ...	2,802,954	2,857,248	2,895,628	2,726,461	2,301,109	84.4
Est. world total ex. Russia	4,138,000	4,346,000	4,219,000	4,282,000		

1/ Figures in parenthesis indicate the number of countries included.

Table: Wheat: Production in Europe, 1925-1929 and preliminary estimates for 1930

Country	1925	1926	1927	1928	1929	1930 preliminary 1/
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
England & Wales	50,773	48,683	53,125	47,262	47,451	45,456
Scotland.....	2,016	2,091	2,427	2,315	2,165	(2,200)
Northern Ireland	129	226	212	163	142	(150)
Irish Free State	751	1,155	1,421	1,186	1,184	(1,180)
Germany.....	112,213	95,429	120,522	141,593	123,073	(132,000)
Italy.....	240,845	220,644	195,809	228,598	260,772	(209,000)
France.....	330,340	231,767	276,128	281,265	2/341,713	(231,000)
Belgium.....	14,477	12,801	16,277	17,215	13,225	(16,000)
Netherlands.....	5,743	5,487	6,157	7,336	5,467	(6,000)
Czechoslovakia..	39,309	34,130	47,203	51,499	52,902	(51,000)
Switzerland.....	3,516	4,244	4,119	4,270	5,791	(6,000)
Greece.....	11,222	12,403	12,970	13,085	3,502	(13,000)
Austria.....	10,671	9,438	11,960	12,915	11,532	11,464
Denmark.....	3,748	8,767	9,408	12,214	11,772	(11,800)
Poland.....	63,876	52,490	61,093	59,219	65,862	(62,000)
Sweden.....	13,359	12,153	15,319	19,155	19,031	(18,000)
Norway.....	490	566	605	798	729	(700)
Finland.....	929	924	1,064	998	1,035	1,139
Latvia.....	2,105	1,360	2,636	2,499	2,336	(2,400)
Estonia.....	791	844	1,079	1,037	1,268	(1,100)
Lithuania.....	5,266	4,180	5,273	6,327	9,329	(7,000)
Spain.....	162,592	146,599	144,825	119,825	154,249	(147,000)
Portugal.....	12,436	8,560	11,447	7,546	11,110	(10,000)
Total, 23 deficit:						
countries.....	1,099,727	915,461	1,001,079	1,038,420	1,150,750	988,000
Rumania.....	104,741	110,863	96,734	115,544	101,200	(118,000)
Yugoslavia.....	73,647	71,427	56,568	103,294	94,993	(77,000)
Hungary.....	71,675	74,908	76,933	99,211	74,985	(77,000)
Bulgaria.....	41,360	36,544	42,121	49,153	34,443	(48,000)
Total, 4 surplus:						
countries.....	296,423	293,762	272,356	367,202	305,632	320,000
Total, 27 countries.....	1,396,150	1,209,223	1,273,435	1,405,622	1,456,382	1,304,000

See next page for notes.

1/ Figures in parenthesis are production estimates of Assistant Agricultural Commissioner Dawson. Official estimates received to date are; Germany, 141,168,000 bushels; Italy, 223,069,000; Netherlands, 7,165,000; Spain 160,567,000; Rumania, 123,721,000; Yugoslavia, 88,992,000 and Hungary 70,143,000 bushels.

2/ As estimated by Mr. Dawson. Official estimate was 319,863,000 bushels.

World Production

World production as reported to date in 20 Northern Hemisphere countries total 2,261 million bushels as compared with 2,178 in 1929. These estimates do not include some important Northern Hemisphere crops, notably the Canadian spring wheat and the French crop. Reports of weather and crop conditions in Canada to date indicate a crop of about 365 million bushels compared with 254 millions harvested last year. There is much speculation about the 1929 and 1930 French crops. Mr. Dawson of our Berlin office estimates the 1929 French crop at 342 million bushels and the 1930 at 231 million bushels. These figures appear to be conservative. Mr. Dawson also believes the 1930 Italian crop has been overestimated, and he indicates a reduction of 42 million bushels. Accepting the estimates of the Berlin office of the Department of Agriculture, it appears that the European wheat crop outside of Russia would amount to 1,300 million bushels, 152 millions less than the 1929 crop. This would also be smaller than the 1928 crop. Crop reductions in northern Africa and in Europe thus would about offset increases in the United States, Canada and India. Should the crop turn out about as indicated above the Northern Hemisphere crop outside of Russia and China would be about 2,975 millions as compared with 2,935 million bushels harvested in 1929.

Apparently Russia and China have better crops than a year ago. Agricultural Commissioner Nyhus has reported larger crops in China proper and apparently Manchuria is also harvesting a better crop. A year ago, however, stocks of flour in the Orient were large, and they are now moderate. The smaller stocks of flour on hand may offset in large part the effect of larger crops upon the import-takings of Chinese markets. Our Agricultural Commissioner at Berlin cables that conditions in Russia continue to point to larger Russian exports. The exports of the past season amounted to about 6 million bushels, and the largest shipments since the war in the 1926-27 season amounted to 49 million bushels. It is impossible to estimate at this time what exports to expect from Russia. The movement of the crop will be carefully watched throughout the season.

It is too early to estimate the out-turn of the Southern Hemisphere crop. Australia reports an increase in area and conditions favorable for a larger crop. Conditions in Argentina are also more favorable than a year ago.

The production of feed grain may have an important bearing on the wheat market during the present marketing season. In southern Europe the smaller corn crop will result in the use of more wheat both as food and feed and in northern Europe wheat and rye will be used more extensively on account of higher corn price.

Indications now point to a 1930 corn crop in Europe materially below last year's. Rumania, a country which last year produced more corn than Argentina, has also suffered from drought and the 1930 corn crop is officially estimated at about two-thirds of the 231 million bushels produced in 1929, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from the International Institute of Agriculture. The corn crop in Hungary is officially estimated at 51 million bushels compared with 71 million bushels in 1929, and the 1930 crop of Bulgaria is estimated at 7 per cent below that of last year. Recent rains have slightly improved the situation in Yugoslavia, where the drought has been less severe. No estimate of corn production for Italy is yet available, but corn shortage there is 8 per cent below that of last year.

Argentina and South Africa still have a good supply of old corn, but they will contribute only a small part in making up for the reductions in the new crops of the United States and Europe.

The European barley and oats crops are also reported to be smaller than a year ago. The barley crop in eleven countries is 5 per cent smaller and the oats crop of nine countries 14 per cent smaller than a year ago. Estimates of the European rye crop received to date are somewhat larger than a year ago, but unfavorable conditions will probably reduce the size of the crop in Poland and Germany. It is quite likely that the total crop of each will not be any larger than that of the past season, and it will have to be drawn upon for feed to make up for the smaller feed grain crops. Conditions have also been unfavorable for the production of potatoes, and it is probable that the potato crop of northern Europe will be smaller than in the past season.

Wheat Stocks

Stocks of wheat on hand for carryover and export as of July 1 in all positions for which comparative data have been obtained over a series of years total 540 million bushels in comparison with 591 million bushels a year ago and 418 millions two years ago. These estimates do not include continental European stocks. Our Agricultural Commissioner at Berlin has estimated that the stocks of old wheat on hand July 1, 1930 in continental European countries were 55 million bushels less than that of the corresponding date of the previous season. The stocks in France were large, but in many other countries had been reduced to a low level.

Table:5- Wheat: Carryover or surplus, July 1, 1920 - 1930

Position	: 1920:	1921 :	1922 :	1923 :	1924 :	1925 :	1926 :	1927 :	1928 :	1929 :	1930
	: Mil.	: Mil.	: Mil.	: Mil.	: Mil.	: Mil.	: Mil.	: Mil.	: Mil.	: Mil.	: Mil.
	: bush.	: bush.	: bush.	: bush.	: bush.	: bush.	: bush.	: bush.	: bush.	: bush.	: bush.
United States	: 139:	122 :	116 :	146 :	145 :	115 :	99 :	123 :	128 :	1/247:	1/275
Canada 2/.....	: 24:	19 :	42 :	39 :	60 :	42 :	55 :	56 :	114 :	1/125:	1/136
Argentina 3/...	: 40:	45 :	59 :	44 :	55 :	45 :	50 :	58 :	78 :	125:	40
Australia 3/...	: 16:	44 :	12 :	25 :	23 :	18 :	15 :	36 :	38 :	33:	45
United Kingdom.	: :	:	:	:	:	:	:	:	:	:	:
Port stocks..	: 11:	13 :	9 :	5 :	8 :	9 :	4 :	8 :	10 :	8:	6
Afloat to....	: 22:	16 :	11 :	16 :	18 :	13 :	16 :	14 :	12 :	8:	11
Continental,	: :	:	:	:	:	:	:	:	:	:	:
afloat to...	: 36:	36 :	22 :	26 :	18 :	13 :	23 :	21 :	22 :	31:	17
Afloat to	: :	:	:	:	:	:	:	:	:	:	:
orders.....	: 14:	13 :	19 :	8 :	18 :	17 :	11 :	16 :	16 :	14:	10
	: :	:	:	:	:	:	:	:	:	:	:
Total.....	: 302:	308 :	290 :	309 :	345 :	272 :	272 :	332 :	418 :	391:	540

1/ Do not include holdings of foreign wheat; Canadian wheat in the United States was reduced from 23 to 16 million bushels and the United States wheat in Canada was increased from 3 to 5 millions.

2/ Exportable surplus computed as follows: years 1920-1923, carryover August 31, 1920-1923 plus net exports during July and August. Years 1924-1929, carryover July 31 plus net exports during July-1930. Stocks March 31 less consumption, seed and exports, April 1 - June 30.

3/ Carryover December 31 plus exports July 1 - December 31.

World Trade

As was indicated a month ago, the world trade in wheat is likely to be larger than in the past season. With smaller crops, a reduced carryover and smaller supplies of other grain, Europe will need to import more wheat. In the past season many European countries succeeded in holding imports to a comparatively low level. With large domestic supplies attempts were made to protect the domestic market so as to maintain more satisfactory wheat prices or increase the consumption of substitutes. The imports of deficit European countries probably amounted to only 488 million bushels in the past season as compared with 627 million bushels in the 1928-29 season. France, Italy and Denmark, all greatly reduced their imports. Few France and Italy face the probability of having to import possibly as much as, or more than, in the 1928-29 season. It seems likely that the deficit European countries will import about 600 million bushels as compared with 488 millions a year ago and 627 millions two years ago.

Table 6 - Estimated wheat deficit of the United Kingdom and Continental Europe, 1930-31

Deficit of deficit countries			
Country	Net imports, 1928-29	Preliminary estimate of net imports, 1929-30	Preliminary estimate of deficit, 1930-31
	1,000 bushels	1,000 bushels	1,000 bushels
Germany	62,000	60,600	47,800- 55,100
Italy	90,000	40,400	73,500- 95,500
France	51,000	3,700	51,400- 73,500
Belgium	41,000	42,300	40,400- 42,300
Netherlands	29,000	29,400	29,400- 31,200
Czechoslovakia	17,000	14,000	14,700- 18,400
Switzerland	15,000	16,900	15,500- 18,400
Greece	22,000	21,300	20,200- 22,000
Austria	15,000	15,300	13,600- 15,400
Denmark	19,000	8,100	9,200- 11,000
Poland	4,000	0	0- 1,800
Sweden	8,000	7,300	6,600- 8,100
Norway	9,000	7,300	7,300- 8,100
Finland	6,000	5,700	5,500- 6,600
Latvia	3,000	2,400	2,400- 2,600
Estonia	1,000	1,300	1,300- 1,500
Lithuania	---	0	0- 0
Spain	18,000	4,400	3,700- 5,500
Portugal	7,000	5,500	1,800- 5,500
Total 19 countries	423,000	286,400	345,300-422,500
United Kingdom	204,000	201,900	200,000-210,000
Total	627,000	488,300	545,300-632,500

Surplus of surplus countries

Country	Net exports, 1928-29	Preliminary estimate of net exports, 1929-30	Preliminary estimate of surplus, 1930-31
	1,000 bushels	1,000 bushels	1,000 bushels
Hungary	24,000	31,000	16,500- 20,200
Yugoslavia	8,000	23,000	9,200- 12,900
Rumania	2,000	1,500	7,300- 14,700
Bulgaria	1,000	0	0- 1,800
Total	35,000	55,500	33,000- 49,600

Net deficit of United Kingdom and Continental Europe

Country	Imports less exports, 1928-29	Imports less exports, 1929-30	Deficit less surplus, 1930-31
	1,000 bushels	1,000 bushels	1,000 bushels
Twenty deficit countries less 4 surplus countries	592,000	432,800	512,300-582,900

It seems likely that the deficit European countries will have to take more wheat earlier in the season than was taken in the first few months of the past season, and that a larger share of the takings will come from North America.

Exports of wheat, including flour from surplus producing countries in July amounted to 63 million bushels, about nine million bushels in excess of shipments in July a year ago. Undoubtedly the increase was due in large part to the fact that stocks of wheat, both domestic and foreign had been reduced to a low level in many European countries and the harvesting of the new crop was being delayed by unfavorable weather conditions. Larger shipments from both the United States and Canada more than made up for the reduction in supplies from Argentina. British India also contributed larger supplies. The Danube countries contributed heavily early in the past season and are now shipping at a good rate. Rumania may have more wheat to ship, but Yugoslavia and Hungary have smaller crops than a year ago. In the past few weeks Russia has been contributing more than the Danube countries and may continue to ship considerable quantities during the early part of the season. However, European deficit countries will have to look to Canada for the bulk of their supplies during the next few months. Not much can be expected from Argentina, who contributed heavily in the early part of the past season. The United States may continue for some time to contribute about as heavily as in the past season. Prices are now more favorable than a year ago for exports from the United States, but the demand for wheat for feed in this country may tend to hold exports in check as the heavy feeding season begins.

Table 7.-Wheat, including flour: Exports from principal exporting countries, May, June and July, 1929 and 1930

Commodity and : country	May		June		July	
	1929	1930	1929	1930	1929	1930 ^{1/}
	1,000	1,000	1,000	1,000	1,000	1,000
	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
Exports:						
Wheat, includ-:						
ing flour - :						
United States:	16,128	10,270	9,003	12,483	13,784	16,909
Canada	31,153	16,047	29,794	21,679	20,779	^{2/} 31,347
Argentina....	24,218	^{1/} 9,028	25,391	^{1/} 10,288	14,463	4,892
British India:	443	^{3/} 210	499	^{3/} 183	575	2,448
Australia....	7,809	^{1/} 7,204	6,975	^{1/} 4,296	4,346	6,320
Russia ^{1/}	0	376	0	1,064	0	824
Danube & :						
Bulgaria ^{1/} :	384	664	32	464	456	616
Total.....	80,135	43,799	71,694	50,457	54,403	63,356

Compiled from official and trade sources.

^{1/} Preliminary.

^{2/} Shipments from Fort William, Port Arthur, Vancouver and Prince Rupert.

^{3/} Sea trade only.

Prices

The season has opened with wheat prices at a low level. In many countries prices are low enough to stimulate consumption. With cash wheat prices below corn prices in many parts of the United States, many farmers will be induced to feed wheat rather than buy feed grains. Prices in the markets of the United States and Canada are also low enough in relation to Liverpool prices to encourage exports. It is of interest to note the shift in price margins between Liverpool and the markets of several surplus producing countries. A year ago Argentina had a large surplus and the producers of that country appeared to be willing to sell it at any price. Consequently prices at Buenos Aires were considerably below Liverpool prices. In the first two weeks of August the price of October futures in Buenos Aires was only 10 to 15 cents under Liverpool October futures, whereas a year ago they were 25 cents under. Kansas September futures, on the other hand, are now 20 to 25 cents under Liverpool October futures as compared with a difference of only 10 to 15 cents a year ago. In August, 1929, Winnipeg September futures were higher than Liverpool. Now they are 10 to 15 cents below Liverpool. The reason for this shift is obvious. Argentina now has but little wheat to export, whereas Canada and the United States have large amounts of old wheat and larger new crops.

The average price of all classes and grades of wheat at six markets in the United States reached the low level of 81 cents in the week ending August 1. This is 54 cents below the average for the corresponding week a year ago. Kansas City prices had declined to a low level, with No. 2 hard winter averaging 78 cents per bushel. The heavy marketings of the new crop contributed to this depression, but world markets generally fell to a low level at the end of July. Drought and the prospect of a great reduction in the corn crop of the United States resulted in a marked rise following this low point. In the face of continued heavy marketings of new wheat in the United States and large stocks of old wheat remaining on hand in Canada and the United States, the marked rise in the early part of August was not sustained and prices have declined again to a level nearly as low as at the end of July.

The world-wide business depression and accompanying world-wide decline in the general price level have been important factors in the decline in wheat prices during the past several months. At the end of July the general price level in the United States was about 20 per cent below that of July a year ago. Data are not available to indicate what change has taken place in many foreign countries up to the first of August. In general, however, the course of prices in foreign countries has followed that in the United States. Evidences of a check in the price decline have begun to appear. Wool prices, which are very sensitive and have declined rapidly for several months, appear to have become more stable. The prices of some other products have strengthened a little after reaching a low level. In fact, according to Fisher, wholesale prices in the United States improved during the first three weeks of August. Although it seems quite possible that the marked decline in prices has run its course for the present business cycle depression, there is, no definite evidence that a sharp upturn in the general price level during the next few months is to be expected.

Table 8.-Wheat: Closing prices of September 1/ futures at specified markets

Date	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires	2/
	1929:1930	1929	1930	1929	1930	1929	1930
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
July 3	125	94	117	86	125	94	137
10	127	92	119	84	127	92	140
17	146	90	140	83	148	90	164
24	146	91	140	84	149	91	168
31	147	87	141	80	149	85	171
Aug. 7	135	96	130	89	136	95	154
14	135	90	131	84	137	88	157
21	131		126		133		154
28	132		127		134		154
Sept. 4	132		127		134		152

1/ October futures for Winnipeg and Liverpool.

2/ Prices are of day previous to other prices.

3/ August futures.

4/ Price is for July 10.

Table 9.-Wheat: Weighted average cash prices at specified markets

Week ended	All classes and grades	No. 2 hard winter	No. 1 dk. n. spring	No. 2 amber durum	No. 2 red winter	Western white
	six markets	Kansas City	Minneapolis	Minneapolis	St. Louis	Seattle
	1929:1930	1929	1930	1929	1930	1929
	Cents	Cents	Cents	Cents	Cents	Cents
June 27	110	87	109	84	130	98
July 4	115	85	113	82	137	99
11	119	83	117	81	141	97
18	134	82	130	79	159	97
25	133	83	129	81	155	97
Aug. 1	135	81	131	78	156	92
8	124	84	121	80	139	95
15	125		124		139	
22	128		122		141	
29	123		120		134	

1/ Weekly average of daily cash quotations basis No. 1 sacked 30 days delivery.

The United States

The wheat crop of the United States is estimated at 821 million bushels on the basis of August 1 condition reports, compared with 803 million bushels harvested last season. The carryover is now estimated to be 275 million bushels compared with 247 millions, an increase of about 28 million bushels. The total available supply of wheat in the United States is, therefore, 43 million bushels greater than in the past season. Should the crop turn out to be as estimated, the total supply of wheat in the United States would be 1,096 million bushels. Of this amount about 605 million bushels will be needed for domestic mill requirements and seed, leaving 491 million bushels available for feeding, export and carryover. It has been estimated on the basis of August 10 corn conditions and August 1 conditions for pasture, hay, and feed grains other than corn that the available feed supply had been reduced from average by the equivalent of about 590 million bushels of wheat. If only half of this were made up by feeding wheat, the amount available for export and carryover would be small. With present price relations, exports will continue at a good rate. In the past season, with prices at the beginning of the season relatively high, exports amounted to 140 million bushels, and a normal average carryover is about 125 million bushels. If the carryover were reduced to a minimum necessary, about 91 million bushels, there would remain only 400 million bushels for export and feeding.

The 1930 winter wheat crop of the United States appears to be of high quality. High test weight and high protein content have given this crop of hard winter wheat high-flour-producing value. The abundance of high protein wheat probably will result in premiums for high protein remaining at a moderate level.

Apparently all classes of wheat, with the possible exception of hard red spring, will be on an export basis for a part of the year at least. The hard red winter crop is now estimated to be 357 million bushels, 13 million bushels larger than the previous crop and this increase together with a larger carryover will provide a considerable surplus for export and feeding. The soft red winter crop has also turned out to be a little larger by about 6 million bushels. The carryover of this class was also increased. Heavy feeding, however, would soon eliminate the surplus of this class of wheat over the usual domestic food requirements. The white wheat crop also appears to be a little larger than a year ago, and stocks of wheat in States growing this class are also large. The spring wheat crop on the other hand has been reduced below that of the past season. Both the hard red spring and durum crops appear to be the smallest since 1926. Stocks of these wheats, however, continue to be large. The hard red spring wheat will continue to have strong competition from the high protein winter wheat. A larger Canadian crop will also be an important factor in the market for hard red spring. However, the tariff is likely to be partially effective on this class of wheat for a part of the year at least. The prospect for marketing durum is much better than a year ago. The carryover of durum in the United States is probably about the same as a year ago. The Canadian production probably will be larger, but a considerable reduction in the North African and Italian crops will result in a greater European demand for North American durum wheat.

Exports of wheat in the first six weeks of the season have been larger than in the corresponding period of the previous season. From July 1 to August 10 the exports of wheat grain amounted to about 15 million bushels, compared with 12 millions, and the total wheat including flour amounted to 19,478,000 bushels compared with 18,369,000 in the previous season.

Table 10.-Wheat: United States production, exports and prices, by classes, average 1924-25 to 1923-29, annual 1929, 1930

Production 1/						
Year beginning July	Hard red : spring	Durum : spring	Hard red : winter	Soft red : winter	White :	Total
	Million : bushels	Million : bushels	Million : bushels	Million : bushels	Million : bushels	Million : bushels
Average						
1924-1928.....	175	73	327	182	77	833
1929.....	140	56	344	188	78	806
1930, Aug. 1 estimate.....	137	51	357	194	82	821

Exports 2/						
Year beginning July						
Average						
1924-1928.....	7	32	61	12	21	133
1929..... <u>3/</u>	2	12	57	3	18	92

Price 4/				
Year beginning July	No. 1 dark : northern spring : Minneapolis	No. 2 : amber durum : Minneapolis	No. 2 : hard winter : Kansas City	No. 2 : red winter : St. Louis
	Cents	Cents	Cents	Cents
Average				
1924-1928.....	148	140	136	151
1929.....	129	119	120	130

1/ Estimates of production by classes are based on surveys made in 1920, 1923 and 1924 of the percentage of different varieties of wheat grown, supplemented by investigations and judgment of cereal specialists. All estimates are the result of applying percentages for each State to the production of each State as estimated by the Division of Crop Estimates save that durum estimates of four States are used directly. As there are changes from year to year in the relative amounts of the varieties of wheat grown and also changes in the relative yields per acre, these figures should be considered to be only rough approximations. 2/ Total as reported by the Department of Commerce. Distribution by classes made on basis of United States inspections for export by ports and inspections of United States wheat in the Eastern Division of Canada. 3/ Preliminary. 4/ Compiled by Division of Statistical and Historical Research. Prices are average cash price per bushel weighted by car-lot sales.

Annual figures for 1923-1927 in World Wheat Prospects, July 1930, p. 30.

Table 11.- Wheat: Supply and distribution in the United States, 1926-1930

Item	Year beginning July 1				
	1926	1927	1928	1929	1930
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Supply:					
Stocks on farms July 1.....	21	27	24	45	47
Country mills and elevators.....	30	22	19	42	54
Commercial visible (Bradstreet's)...	16	26	42	96	113
In merchant mills and elevators <u>1/</u> :	25	37	32	48	46
In transit.....	7	11	11	16	15
Total stocks.....	99	123	128	247	275
Imports (grain only).....	13	16	21	13	
Production.....	831	878	915	806	821
Total supply.....	943	1,017	1,064	1,066	
Distribution:					
Mill grindings (merchant mills) <u>1/</u> :	556	558	567	559	
Mill grindings (custom and small mills).....	10	10	10	10	
Seed requirements (revised).....	84	90	84	83	
Total domestic accounted for <u>2/</u> :	650	658	661	652	
Exports (grain only).....	156	146	103	92	
Disappearance accounted for.....	806	804	764	744	
Carryover (including wheat of merchant mills in transit)....	123	128	247	275	
Total supply accounted for.....	929	932	1,011	1,019	
Disappearance unaccounted for <u>3/</u> :	14	85	53	47	

1/ Census Bureau, Department of Commerce, raised to 100 per cent based on the Biennial Censuses of 1923, 1925 and 1927.

2/ Includes wheat used in producing flour for export.

3/ Difference between total distribution accounted for and total supply. Includes wheat fed to livestock, waste, loss and errors in estimates.

Canada

Weather and crop conditions reported to date indicate that the outturn of the Canadian wheat crop is likely to be about 365 million bushels. The winter wheat crop of Canada has been officially estimated to be 15,962,000 bushels. The condition of the spring wheat crop as of July 31 was officially reported to be 85 per cent of average, as compared with 86 per cent on July 31, 1929. Interpreting the condition of 85 per cent as an indication of 85 per cent of an average yield of spring wheat upon the estimated acreage would indicate a spring wheat crop of 347 million bushels and a total crop of 363 millions. In past seasons the spring wheat condition report as of July 31 has frequently not been a good indication of the final outturn of the crop; but for the present season other reports indicate that the figure thus arrived at is probably not far from the probable outturn of the crop. An analysis of weather reports continues to indicate a production of about 360 to 375 million bushels. The observations of Mr. Kirk of the Division of Crop and Livestock Estimates, who has been making a survey of conditions in Canada, are that in some parts of the Prairie Provinces the outturn of the crop will be fairly good, but in other parts very low. Rust is damaging the crops in Manitoba and drought has taken very heavy toll in parts of Alberta and Saskatchewan. He indicates that considerable acreage will not be harvested. His observations as to the probable outturn of the crop in the three Prairie Provinces suggest that the Canadian crop will be about 365 million bushels, and for the time being we are adopting this figure as our estimate of the Canadian crop. Recent reports indicate a continued deterioration and the outturn is less than indicated above but still better than a year ago.

Reviewing stocks and the disposition of last year's crop, the Canadian Government revises the estimate of last year's production to 304,520,000 bushels.

The Dominion Government estimates the carryover of Canadian wheat in Canada at 111,693,000 bushels, compared with 104,343,000 on August 1, 1929. Should the Canadian crop turn out to be about 365 million bushels, the total supply for the season would be about 477 million bushels compared with 408 million bushels available in Canada during the past season.

In the above computation no account has been taken of United States wheat in Canada or Canadian wheat in the United States. The former was increased from 3 to 5 million bushels as of July 1, and the latter was reduced from 23 to 16 million bushels as of August 1. Adding changes in the supply in the United States as of July 1 to changes in the supply in Canada as of August 1 results in a total increase of 107 million bushels over the available supply on corresponding dates of a year ago.

The Orient

There has been little change in the wheat and flour situation at Shanghai during the past month, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from Agricultural Commissioner P. O. Nyhus at Shanghai. Mills continued in active operation throughout the month. The arrivals of native wheat, though large, are not as large as previously expected and it is believed that the current high prices of rice have caused some substitution of wheat in the country districts, thereby reducing deliveries at Shanghai. The embargo on the exports of flour at Tientsin remains in force but shipments can be made to other north China ports. Native wheat at Shanghai is quoted at 84 cents per bushel and flour at 97 cents per 49 pound bag. Low grade Canadian wheat is quoted about the same as native wheat but the quotations on the usual milling grades of foreign wheat are too high for local buyers at present exchange rates.

Japanese flour mills are in active operation and there is a fair demand for American wheat, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from Consul General Garrelds at Tokyo. During the year ended June 30, 1930, the United States furnished more than two-fifths of all wheat imported into Japan. Total imports during the year were about 19 million bushels according to preliminary data of which 8 million bushels were imported from the United States, 6 million from Canada and 3 million bushels from Australia. During the preceding year Japan imported 28 million bushels of which 4 million bushels were from the United States, 17 million from Canada and 5 million from Australia. Prices of imported wheat at Japanese mills declined during July. Quotations on August 1 were as follows: United States western white No. 2, \$1.33 per bushel, Canadian No. 5 \$1.26 and Australian \$1.41 per bushel. The quotations on July 1 were \$1.40, \$1.33 and \$1.42 per bushel, respectively. The domestic flour market continued about normal during the month with a fair export demand for flour. Domestic flour was quoted at \$1.39 per bag on August 1 compared with \$1.46 on July 1.

The Food Research Institute, Stanford University, has published a very interesting study of Japan as a producer and importer of wheat (see Wheat Studies of the Food Research Institute, Vol. VI, No. 8, July 1930). According to this study, the per capita disappearance of wheat including flour in Japan has increased from an average of .52 bushel in the period 1898-1902 to .76 bushel in the period 1923-1927, an increase of 50 per cent in 25 years. This increase in per capita consumption, together with the growth in population, has resulted in a still greater increase in total consumption. The total disappearance has increased in the same period from 23,270,000 to 46,960,000 bushels. The production of wheat in Japan has been increasing slowly, and most of this increase in consumption has been imported. While production was increasing from 21,410,000 bushels to 29,210,000 bushels, the net imports increased from 1,860,000 to 19,750,000 bushels. The author of the study, Mr. Wen Yuh Swen, believes that the increasing consumption of wheat is the expression of a general rise in the standard of living rather than a change in taste, for the per capita consumption of rice has also been increasing.

The Continental European wheat market situation during July 1930 1/

Continental wheat markets during the month of July showed a varying tendency in line with crop reports from North America and European countries. The second half of the month registered increased buying activity due chiefly to reports of a much lower wheat crop than last year in Europe outside of Russia. At times, however, this tendency was changed by crop reports from North America. Nevertheless, the reports on the continental crop outturn were dominant, prices increased and offers of domestic wheat became restricted, especially in France, where deterioration of the crop was most outstanding.

The effect of a probable larger export surplus of bread grain in Russia is beginning to be felt in some quarters and will doubtless have a restraining effect upon the market as the season progresses.

As a result of the upward price movements in Continental European grain markets, despite a declining tendency in American prices, spreads changed considerably and European wheat became dearer compared with American.

Although considerably higher European grain import requirements for 1930-31 are in prospect, the market is not gaining corresponding support. The prospects for a good wheat harvest, compared with last year, in important overseas countries will result in a cautious buying policy until the situation becomes clear. There is also uncertainty about the governmental policy regarding wheat imports in countries where a deficit this year indicates the necessity of removing or revising certain restrictions on imports of foreign wheat.

Feed grain markets

Continental feed grain markets registered an improvement during the month of July, with the tone of the market becoming somewhat firmer. The chief reason for the strengthening of the market was undoubtedly the confirmation of earlier reports that spring grains, chiefly oats and to some extent barley, had suffered considerably from heat and drought in Central Europe, with crop expectations reduced considerably. Continental demand at the same time became more active. Germany made some purchases in spite of the extremely high tariff. Supplies in certain deficit countries appear rather short with an increasing demand developing due to increased livestock in Northern Europe. The hog industry in Central and Northern Europe is taking an important upward swing with a consequent important increase in feed requirements. On the other hand stocks of rye in Central and Northern Europe are still large and stocks of corn and barley in Southeastern Europe are heavy. Prospects for rye in Europe at the present time are for crops near the good crops of last year. Corn prospects are less favorable on the whole, due to smaller acreage and deterioration from drought. The high protective measures in Germany and other countries must be considered an important factor in the situation this year and unless this is changed prospects cannot be regarded as very favorable.

1/ By Assistant Agricultural Commissioner Owen L. Dawson, Berlin, Germany, July 28, 1930.

We have drawn up our first estimate of the continental wheat crop (exclusive of Russia) and information to date indicates a crop about 150 million bushels below last year. The situation in individual countries, as reported at the present time, is as follows:

(1) Germany, Belgium, The Netherlands, Rumania and Bulgaria, will have a larger crop than last year on an increased acreage. The increase in area is largely due to smaller winter kill this year than last year. The crop in Rumania and Bulgaria has already been harvested and is not only large in quantity, but of good quality. In Germany and the other North European countries where a somewhat better crop is expected, harvest is still underway and weather during July has been partly unfavorable, so although the quantity may not have been reduced materially, the quality has suffered some deterioration.

(2) France and Italy will have wheat crops considerably below 1929. In France the acreage was somewhat increased, but the yield has been greatly reduced by unfavorable growing weather. Excessive precipitation in France during May and June and extending into July, with heavy storms in places which lodged the grain quite extensively, has resulted in materially reduced yields and poorer quality than usual. Italy was also affected by very unfavorable weather conditions during important growing and harvesting periods. The quality of the crop in this country also suffered materially.

(3) In Hungary and Yugoslavia the quality of the crop will be better than the good quality of last year. While the yield in Hungary is less than last year, the production will be about the same owing to a much smaller winter kill this year, compared with a year ago. In Yugoslavia the production will be materially below last year, with indications at present pointing to a 20 to 25 per cent decrease.

(4) Reports on Spain are uncertain. Some reports indicate a crop above the good crop of last year, but this appears very unlikely with unfavorable weather conditions over the wheat area during part of the growing season. It seems more likely that the crop will not be above last year and may even be less. This is supported by some recent reports indicating only an average crop. See Table 4, page 7.

These conditions as to crop output, from information to date, afford a preliminary basis for estimating the 1930-31 import requirements for wheat on the Continent. A sufficiently wide range must be allowed in the estimates for changes in certain factors working for increased imports and others for restriction of imports. On the side of restricted imports the cautious buying policy will again be evident this year because of the present low price levels and due to uncertainty for some time regarding the crop output in the Northern Hemisphere and later in the season in Argentina and Australia, governmental measures affecting imports and the general economic situation, which tends to restrict initiative in the trade. There will be a tendency to hold down con-

sumption again this year, due to various measures to increase the use of rye, and smaller wheat crops in some areas where smaller crops often result in smaller consumption. On the other hand, there are important factors working to increase import requirements this year. Stocks have shown an important decrease and livestock requirements for grain will also be greater. It is doubtful, however, whether the reduction in stocks will be fully made up this year and increased requirements from this source will depend chiefly upon the price developments through the season.

The Danubian countries may have somewhat greater amounts available for export. Rumania appears to have material quantities of wheat to export and the government has adopted a policy of encouraging exports of grain. Export duties have been reduced and the railway administration has been authorized to reduce rates on grain for export ¹/₁. Yugoslavia has a crop some 18,000,000 bushels below last year's reduced stocks and will probably have less corn, so the net result will be considerably reduced wheat exports. In Hungary the crop is about the same as last year, with reduced stocks, but corn stocks are small and the new corn crop has been estimated nearly 30 per cent less.

Russia is expected to play a more important export role than a year ago, because the better crops are in sections so located that they are more readily available for export than for making up deficits in other parts of the country, and the general economic situation in Russia is such that the government will probably undertake to export the maximum amount of grain.

Germany

The wheat and wheat flour market in Germany which was weak at the beginning of July has strengthened somewhat during the past two weeks. Offers of domestic wheat have been very small. The stocks of old wheat on farms are practically exhausted, and new wheat is not yet available in quantities of importance. The demand for domestic wheat became less active following the reduction of the milling requirement for domestic wheat from 50 to 30 per cent for July. Milling requirements were raised to 60 per cent for the period August 15 to September 30. The market in foreign wheat, which was very quiet in the first half of July, showed slight signs of a revival later on. The flour mills which have been very reluctant purchasers in recent months were forced to make some commitments. There is, however, a general uncertainty which causes buyers to follow a hand-to-mouth policy.

The rye situation has remained difficult with the price-spread between wheat and rye unusually large. The grain commission found it necessary to make some purchases to sustain the market. It now appears that a good rye crop will be harvested in Central Europe this year in spite of damage from drought which is extensive in places. The market prospects in 1930-31, therefore, promise little improvement in view of important stocks remaining from last year. Late reports, however, indicate recent weather has reduced the quality of the new crop.

¹/ Report from Commercial Attache Fouche Bucarest, June 30.

Table 12.-Germany: Price per bushel of domestic wheat and rye,
June 4-August 6, 1930

Date	Wheat			Rye	
	Hamburg <u>1/</u>	Breslau <u>2/</u>	Berlin <u>3/</u>	Berlin <u>4/</u>	
	Cents	Cents	Cents	Cents	
June 4	209	194	199	106	
11	215	194	-	106	
18	210	193	-	106	
25	203	185	190	106	
July 2	200	180	186	106	
9	203	180	-	106	
16	193	183	-	106	
23	202	183	-	103	
30	200	162	-	97	
Aug. 6	178	156	157	96	

1/ Wheat of any German district of at least 58.7 pounds per Winchester bushel.

2/ Wheat of any German district in carloads of 370 bushels of at least 58.7 pounds per Winchester bushel.

3/ "Markischer" wheat of 59-60 pounds per Winchester bushel.

4/ "Markischer" rye of at least 56 pounds per Winchester bushel.

It should be noted that the above spot prices do not reflect the market situation well; the extremely high level of wheat prices in June was a consequence of a shortage of domestic supplies coupled with obligation of flour mills to mill 50 per cent domestic wheat. The decline of wheat prices in the latter half of June and early in July was mainly due to the reduction of the compulsory percentage to 30 percent. Prices in the futures market did not show such large fluctuations as spot prices.

Wheat imports during the month of June were smaller than was expected in our last report, being but 2,000,000 bushels compared with 2,400,000 in May 1930 and 6,900,000 bushels in June 1929. Net imports of wheat and flour during the campaign 1929-30 amounted to 61,000,000 bushels, as compared with 68,000,000 bushels in 1928-29. This difference in imports can be explained only by a large reduction of stocks, which appear to be about 14,700,000 metric tons smaller than at the beginning of the season. There was also a smaller consumption for stock feeding and human consumption, as discussed in our earlier reports.

Wheat arrivals at the Dutch frontier were very small in the first half of July and it seems likely that the July imports will continue to show a small figure.

All available figures on stocks indicate that foreign as well as domestic wheat stocks of the old crop are small. Wheat stocks in Berlin, for example, were 209,000 bushels on June 30, 1930, compared with 845,000 bushels at the same time of last year. Port stocks at Hamburg and Bremen are also small.

The figures of the German Agricultural Council as of June 15 indicate that the farm stocks of wheat and barley must be practically exhausted. Stocks of rye and oats are still rather important. Statistics on the stocks available for sale, as of June 15 were not compiled by the German Agricultural Council.

Table 13.-Total grain stocks on German farms

Grain	: June 15, 1929 :	June 15, 1930, Berlin
	: <u>1,000 bushels</u> :	<u>1,000 bushels</u>
Wheat	: 9,847 :	4,079
Winter rye	: 36,061 :	35,510
Spring barley	: 7,946 :	6,017
Oats	: 80,595 :	96,107

Several government measures have been taken during July to bring relief during the campaign 1930-31. The so-called "bread law" passed the Reichstag on July 9 and will become effective on August 15, 1930. The purpose of this law is to stimulate the consumption of rye. According to this law rye bread has to contain 97 percent of rye flour. Bakers are required to use rye flour with a milling percentage of 60 per cent or less. Only for the so-called "coarse bread" (Schrottbrot) the use of rye flour of 100 per cent milling is allowed. Mixed bread has to contain at least 80 per cent rye flour and not more than 17 per cent wheat flour. The government hopes to increase the consumption of rye by about 772,000 tons as a consequence of this measure. This estimate may be somewhat too optimistic, but it seems likely that at least 12,000,000 to 16,000,000 bushels more rye will go into human consumption. The average milling percentage of rye was higher than 60 per cent up to this time and a larger share than 17 per cent of wheat flour was used for the bulk of the mixed bread.

The law requiring the milling of a certain percentage of domestic wheat has been extended to 1930-31. The percentage of domestic wheat is set at 30 per cent for the whole campaign and 60 per cent during the period August 15, 1930 to September 30, 1930. The Minister of Agriculture is authorized to change the percentage if the market situation makes it necessary.

Weather conditions have been rather unfavorable during July. A wheat crop of about 132,000,000 bushels can be expected for the whole of Germany. The quality appears to be less satisfactory than last year.

France

Wheat prices in the French market increased considerably during the month of July, in contrast with overseas developments. Prices in Paris rose from about 136 francs per metric quintal on June 30 to 161 francs on July 19. This upward movement in prices was due to continued unfavorable conditions for the developing crop and the holding back of wheat by farmers due to the expectation of better prices.

Continued excessive rain in July following heavy precipitation accompanied by storms which blow down the wheat in June were distinctly unfavorable for the maturing of the crop. Under the conditions prevailing, the harvest is very difficult, and expensive where labor must be hired. The quality of the crop is materially below last year's rather good quality. Our estimates of the crops are 231 million bushels in 1930 and 342 millions in 1929. It is reported that some purchases have been made by France in the Belgian and Dutch import markets for later delivery.

Crop developments in the later harvesting sections of North Africa seems to have been more unfavorable than in the earlier sections. This applies particularly to the department of Constantine in Algeria which is an important durum wheat section. The crops in the departments of Algeria and Oran in the province of Algeria are reported larger than a year ago, but are apparently more than offset by the decreased crop in the department of Constantine. Durum wheat is, of course, important in the departments of Algeria and Oran, but the proportion of bread wheat in those sections is greater than in the department of Constantine. The net effect of the wheat crop situation in the entire province of Algeria (i.e. including the departments of Oran, Algeria and Constantine) is a smaller surplus of durum wheat for export than last year despite the fact that there was a larger carry-over than normal. The surplus of both durum and bread wheat will find a ready market in France this year, and it is even doubtful whether the durum surplus from all North Africa will fill France's requirements.

Italy

Italian crop reports have continued unfavorable during July so that the crop outturn will be about 209,000,000 bushels compared with about 261,000,000 bushels in 1929 ^{1/}. The unfavorable crop reports resulted in moderate revival of import business during the closing weeks of the campaign. Net imports during the campaign 1929-30 amounted to 40,000,000 bushels compared with 91,000,000 bushels in 1928-29. It appears from various indications that the stocks carried into the new crop year are around 14,700,000 bushels below last year. With a much smaller crop than last year in prospect and the poorer quality than a year ago, much larger import requirements than during 1929-30 are indicated. The reduced corn acreage with a smaller crop in prospect will also be an important factor in the situation this year. Of the next year's import requirements for Italy durum wheat may be expected to comprise around 22,000,000 bushels, although it is difficult to estimate so early in the season, because of lack of sufficiently detailed information on crop returns in the durum and bread wheat areas of Italy.

^{1/} A review of the Italian wheat situation throws some doubt upon such a high estimate of the crop.

Belgium and Holland

Wheat markets in Holland and Belgium were quiet during the first ten days of July with only a limited demand from the side of domestic flour mills. During the past two weeks, however, a slightly improved tone in the market has prevailed. There has been a fairly good demand from France and Italy and some purchases were also made by western Germany.

Port stocks at Antwerp increased from June 15 to July 15 but still remained rather small. Stocks in Rotterdam, showed some decline between July 1 and July 19. Crop conditions are not especially favorable in both countries but crops will probably run above last year's small crops.

Danube Basin

Wheat markets in the Danubian surplus as well as the deficit countries were quieter in July with transactions in old and new wheat small. Prices showed a slight decline and the price-spread between Hungarian wheat and wheat in Chicago became somewhat more unfavorable for American wheat.

Table 14. - Wheat: Price per bushel, 79/80 kg. spot, at Vienna on specified dates, 1929-30

Date	: Price at Vienna :	: Above (+) or below (-) Chicago	
		: futures, nearest month	
	: Cents	:	: Cents
<u>1929-30</u>	:	:	:
Sept. 6	126.14	:	- 5.86
Feb. 28	131.92	:	+ 20.30
May 6	124.70	:	+ 24.40
June 20	132.37	:	+ 36.04
<u>1930-31</u>	:	:	:
July 4	121.82	:	+ 31.47
July 11	117.98	:	+ 29.38
July 18	114.15	:	+ 27.15
Aug. 1	112.20	:	+ 27.50

Stocks of foreign wheat in Austria are comparatively heavy as a consequence of rather heavy imports during the last months of the campaign 1929-30 in anticipation of higher import duties. The stocks of wheat there are thought sufficient to last for several weeks. The stocks of old wheat in Czechoslovakia are small which is also the case with Hungary. Stocks in the private warehouses of Hungary amounted to 393,000 bushels on August 4 compared with 404,000 about a month ago and 1,400,000 a year ago. Stocks of wheat in Yugoslavia are small but not so low as in the case of Hungary.

The wheat crop is exceptionally good in Rumania due both to good yields, and a larger area remaining for harvest compared with last year when winter kill was heavy. In Bulgaria the crop is also good. The official wheat estimate for Rumania is 124,000,000 bushels compared with a production of 1/ 101,200,000 bushels in 1929.

1/ It appears that the official estimate for last year's crop in Rumania is somewhat high and that 92,000,000 bushels is nearer the actual output.

We estimate the Bulgarian wheat crop this year at about 48,000,000 bushels compared with the official estimate of 34,448,000 bushels last year. The Hungarian official crop report as of June 27 estimates the wheat crop 81,129,000 bushels which on August 8 was reduced to 70,143,000 bushels. The last estimate is probably too low and it is thought by many observers that the crop will not fall below 77,000,000 bushels. Although there was some deterioration in the crop yield due to drought and heat the latter part of June, it is quite likely that the increase in acreage due to small winter kill fully offsets the decreased yields compared with a year ago.

The wheat crop in Yugoslavia will be materially less than last year, and it is not expected to exceed 77,000,000 bushels. The total wheat crop in the Danubian surplus countries is expected to be about 15,000,000 bushels larger than last year. Practically all reports on the quality are excellent with the exception of a few local reports from Rumania indicating poor quality. Exports from Hungary and Yugoslavia will be much less important than last year because of a smaller crop, greatly reduced stocks and a corn crop probably less than a year ago. Rumania, however, will export an important quantity of wheat this year because of its larger crop of good quality, a plentiful carryover of both corn and barley, and lower export duties.

Austria reports a smaller wheat crop but a larger rye crop. Conditions in Czechoslovakia declined from July to August.

There has been considerable activity with respect to relief measures and programs in the Danubian countries. In Hungary a relief bill for grain farmers was passed about the middle of July. This Act will raise the price of that share of the grain which is consumed in the country, as we described in our last grain report. The Hungarian relief act contains a number of other measures to protect grain growers. There are at present negotiations between representatives of the Rumanian, Hungarian and Yugoslavian government concerning the establishment of a kind of wheat pool for the three surplus countries. It is still too early to make a statement about the probable success of the negotiations. Further conference between Yugoslavia and Rumania point to the probability of their cooperation in a trade policy to further agricultural exports and to a possibility of a customs union.

Poland

The wheat and rye market in Poland has become somewhat firmer recently, but transactions have remained small. Crop reports are somewhat less favorable than a few weeks ago. Spring crops and in some places rye have suffered from drought. According to the last official crop report as of July 10, prospects for winter wheat and winter rye have undergone little change and were generally favorable. Prospects of spring grains, however, had been greatly reduced. The recent rainy weather has probably reduced the quality of wheat, as well as the rye, to some extent.

The German-Polish rye export agreement has been prolonged to 1930-31 with some minor changes. Poland is endeavoring to organize a group of the agrarian export countries of eastern and southeastern Europe with purpose of avoiding competition in the marketing of grain. It is very difficult at this time, however, to tell whether any arrangement can be effected.

Sweden

According to Consul Boernstein of Malmo, Swedish mills have agreed to purchase first-class, fresh and undamaged Swedish wheat and rye at stipulated prices. The agreement is to be in force from July 4 to September 15. At least 45 per cent of the wheat and 50 per cent of the rye milled is to be Swedish grain. On July 16 the mills agreed to increase the milling percentages for wheat to 55 per cent and rye to 60 per cent.

It has been decreed that any person or firm importing wheat flour into Sweden from foreign countries must mix flour from Swedish wheat to a volume representing 45 per cent of the entire mixed lot and at least 30 per cent of any part of the lot mixed separately. With any import of rye flour must be mixed Swedish rye flour to the extent of 50 per cent of the mixture.

Russia

Acreage

Information to date indicates an area under bread grains of about 154.4 million acres. This means an increase of about 10 to 15 per cent as compared with the acreage left for harvest in 1929. This increase of about 20 million acres has taken place almost exclusively in the case of winter crops with the acreage under spring wheat remaining about level with that of 1929. As previously indicated in our reports about 15 million acres of the acreage in spring wheat was sown very late. Spring rye is a very small proportion of the rye acreage. The increase in the case of winter grains is due chiefly to the much smaller winter kill in 1929-30 compared with previous years.

No figures as to the acreage under both winter and spring wheat together are yet available, but it seems that the area left for harvest in 1930 is about 86 million acres compared with 74 million acres left for harvest in 1929, of which about 59 million acres fall to the share of spring wheat. It appears that the acreage left for harvest increased to a larger extent in the case of wheat than that of rye, due to the fact that winter kill in 1929 was heaviest in the case of wheat. The relative share of wheat acreage in the total acreage of the Union therefore was higher than a year ago. The acreage under spring oats and barley ^{1/} is about 4.5 per cent below that previously reported for 1929 having amounted to 62.5 million acres as per June 25, compared with 65.5 million acres previously reported sown in 1929.

^{1/} Figures on the acreage of both these crops separately are not available.

Crop Outlook

A crop somewhat above average and better than last year is expected, with winter crops chiefly reported better than spring. The late sowing of a considerable share of spring crops is an unfavorable factor, as late crops are more subject to risk of damage from early frost or scarcity of moisture, the latter danger being particularly important in the eastern sections.

If developments from now on are not unfavorable it seems, however, that Russia's crop of wheat will turn out materially better than last year, when conditions were below average in such an important winter wheat region as North Caucasus and turned out poor in eastern section of both European and Asiatic Russia where most of the spring wheat is raised.

Wheat promises a crop above average in Ukraine and North Caucasus ^{1/} and since the above two regions are the principal winter wheat producers it is quite evident that winter wheat will turn out above average and better than spring wheat, the crop of which is somewhat uncertain in the Volga region, Kazakhstan, Bashkeeria and Tatar Republic. The final outturn of the spring wheat crop will depend to a considerable extent upon future developments in Siberia where the crop runs a chance of considerable deterioration in late July and beginning August (in the period we are now entering.)

As to the crop outlook in the case of rye, crop conditions at present are about average, possibly slightly below for the Union as a whole. Conditions are best in Ukraine, Western section of Central Fertile Region, parts of Lower Volga Region, while they are somewhat less satisfactory in the central consuming regions Siberia and Ural, the latter two regions seem to have experienced considerable winter damage. All in all present conditions are for yields near those of last year on a larger acreage than that harvested a year ago.

The yield of barley was an exceptionally good one a year ago and it is unlikely that this year's yield will reach the high level of 1929, although it may not turn out below average. The smaller yield compared with last year, coupled with some decline in acreage, will doubtless lead to a crop smaller than a year ago. The smaller size of the crop, however, may be offset to some extent by reduced numbers of livestock.

It is interesting to note that crop conditions on the Soviet grain farms are reported best and on the collective farms - above those on the neighboring individual peasant farms. Since the so-called "socialistic - sector" is to deliver 50-60 per cent of the total commercial grain surplus of the Union in 1930-31, better crop conditions on these farms are an additional factor in favor of increased exports.

^{1/} The eastern sections of both these regions excepted, where conditions are somewhat less favorable.

Harvesting Campaign

Harvesting began at the end of June in the southern regions and is now progressing northward. The usual difficulties with supplying of necessary machines, transportation and storing facilities are reported, with the shortage of labor in some cases being about the only new factor in the situation.

Export outlook

It is too early to form a good opinion as to the probable export of grain from the Soviet Union, especially as experience of the last year has shown that much depends upon other important factors beside the crop outlook. A continuation of grain exports, however, even on a larger scale than last year should be reckoned with in 1930-31. The good crop outlook in the principal export regions is an important feature of the situation. No estimate of the quantity to be exported can be made, as much depends upon factors other than the crop outturn. Increase in exports of all the principal grains, except barley is to be expected.

Current exports

Shipments of Russian grain through the south Russian ports were very insignificant during the second half of June and the first half of July, having amounted to only 35,000 short tons, the largest share falling to barley. Total shipments through the South-Russian ports since July 1, 1929 to July 16, 1930, amounted to 1,023,000 short tons, distributed as follows:

Wheat	5,879,000 bushels
Barley	29,349,000 "
Rye	3,425,000 "
Oats	1,171,000 "
Corn	984,000 "

Durum wheat situation

Condition reports and estimates of total wheat production in countries producing durum wheat now tend to indicate that foreign durum production as well as that in the United States will be smaller than in 1929.

Rough calculations on the basis of estimates of total wheat production and the condition reports of the five foreign countries where durum wheat is an important commercial crop indicate a possible durum wheat production in those countries of 120 to 136 million bushels compared with about 142 million in 1929. With the United States crop now estimated at about 51 million the world's crop gives promise of being about 171 to 187 million bushels as compared with 198 million in 1929.

Most of the Canadian durum crop is grown in Manitoba where about half of the wheat acreage has been sown to durum in the past two years. The balance of the durum comes from southeastern Saskatchewan. It is reasonable to assume that the low prices for durum may have discouraged durum planting to some extent this year and that less than half the acreage may have been devoted to durum. On the other hand the rust which is reported by the Dominion Bureau of Statistics as hurting the bread wheats has not been troubling the durum seriously and a fair durum yield is probable. Thus in spite of a probable reduction in durum acreage it is likely that over half of the Manitoba wheat crop now indicated to be about 39 million bushels is durum. Canadian durum wheat production in past years has been measured by inspections in the western grain division. Any durum in Manitoba which is not marketed but retained for local consumption may be offset by marketings from eastern Saskatchewan. On this basis it seems probable that Canadian durum inspections may be between 20 and 24 million bushels this year as against about 10 million for 1929-30 and 26 million for 1928-29.

No definite reports are available on durum production in Italy either for the current year or for preceding years. A report put out by the International Institute of Agriculture showing acreage of wheat in the different provinces by varieties gives a basis for a rough estimate of the annual durum crop, and helps to show the probable annual variations in durum production from year to year. Figures of acreage are not yet available for 1930. In the past five years the estimates of durum production have ranged from 25 to 29 per cent, the total crop averaging between 26 and 27 per cent. Reports of climatic conditions indicate that the prospects this year in the South where the durum is grown have been as good as for the country as a whole so it appears probable that of the total wheat crop now reported at 223 million bushels about 56 to 64 million are durum. This is a reduction from last year when the durum crop was estimated at 76 million on the basis of provincial reports, but it is above average.

Total North African wheat production is now estimated at 58 million bushels of which 44 to 48 million is probably durum, as compared with a durum production of 56 million in 1929 out of a total wheat crop of 72,501,000 bushels.

The United States stocks of durum in Minneapolis and Duluth on the Saturday nearest July 1, 1930 were 10,300,000 bushels compared with 8,900,000 at the same time in 1929. Farm stocks and country mill and elevator stocks of all wheat on July 1 in the durum producing States were not quite so large as at this time last year. Pro-rating these stocks as between durum and non-durum on the basis of production would give a total of 10,500,000 bushels of durum this year as against 11,600,000 last year. The carryover of durum thus indicated would be 20,800,000 bushels which is about the same as the similar estimate of 20,500,000 on July 1, 1929. Durum may have been fed out to some extent and the farm stocks may be slightly less than indicated.

Recent increases in import duties on wheat and other protective measures in European countries will tend to reduce the foreign demand for durum. The import duty on wheat in Italy was raised to the equivalent of 86.7 cents a bushel effective June 28, 1930 compared with a duty of 73.5 cents a bushel prevailing during the past marketing season. The French duty was raised on May 22, 1930 to 85.4 cents from 53.3 cents a bushel which prevailed during the 1929-30 marketing season. The German duty was raised several times throughout the year from 42.1 on July 10, 1929 to 97.2 cents April 25, 1930.

A French decree effective August 10, 1930 requires manufacturers of macaroni and other alimentary pastes to use a minimum of 70 per cent Algerian, Tunisian or Moroccan hard wheats in the preparation of such pastes. Since it is not known what percentage of North African or French durum is now being used in alimentary paste manufacture it is difficult to determine what effect the measure may have on the French demand for North American durum. French durum imports reported for domestic consumption in the three years 1926-27 to 1928-29 averaged 5,920,000 bushels annually of which 5,410,000 were of North African origin and only 450,000 of North American origin. Of the total durum imports including those for reexport those from North America form a much larger proportion. North America supplied an average of 3,324,000 bushels out of a total annual import of 9,220,000 bushels. These imports may possibly be reexported in manufactured form and thus might be discriminated against in the new ruling. If much French durum is used in the process the requirement for North American durum might cease entirely. If the French durum crop is used largely for blending with bread wheats the decree might not reduce materially the demand for the North American product.

Table 13 - Durum wheat distribution in the United States, 1926-1930

Item	: 1926	: 1927	: 1928	: 1929	: 1930
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: bush.	: bush.	: bush.	: bush.	: bush.
Carryover July 1 1/.....	5,100:	4,700:	8,600:	20,500:	20,800
Production	48,000:	83,000:	102,000:	56,000:	51,000
Total domestic supply	53,100:	87,700:	110,600:	76,500:	71,800
Seed requirement 2/.....	8,600:	9,300:	7,400:	6,500:	
Exports of grain	21,300:	30,600:	44,800:	12,000:	
Mill consumption	12,100:	14,600:	15,600:	15,000:	
Balance (used for feed, mixed with:					
other wheats, etc.)	6,400:	24,600:	22,100:	22,200:	
Carryover end of year	4,700:	8,600:	20,500:	20,800:	

1/ Includes visible supply on Saturday nearest July 1 at Duluth and Minneapolis, plus a rough estimate of carryover on farms and in country mills and elevators from reports of carryover of all wheat in the important durum producing States divided on the basis of the relation of durum production to total wheat production in these States.

2/ Estimate on the basis of 1.3 bushels to the acre seeded the following year.

Table 16 - Durum wheat production in specified countries, 1926-1930

Country	1926	1927	1928	1929	1930
				prel.	rough indications
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
United States	48,000	83,000	102,000	56,000	51,000
Canada, inspections					
western division	13,000	15,000	26,000	1/10,000	2/(20,000-24,000)
Italy	59,000	51,000	58,000	76,000	3/(56,000-64,000)
Algeria.....	19,000	22,000	23,000	25,000	(23,000-24,000)
Tunis	11,000	7,000	10,000	10,000	(7,000-8,000)
Morocco	14,000	23,000	20,000	(21,000)	(14,000-16,000)
Total	164,000	201,000	239,000	198,000	(171,000-187,000)

1/ Inspections for 11 months totaled 9,300,000 bushels according to preliminary reports.

2/ Rough indication on the basis of Canadian official condition reports for Manitoba indicating a total wheat crop in that province of about 39 million bushels.

3/ Rough estimate from production of wheat by provinces, on basis of report of International Institute of Agriculture, showing distribution of wheat acreage by varieties in the various provinces. Such estimates are higher than trade indications of the commercial durum crop, and it is believed that they include wheats of durum characteristics either mixed with bread wheats for local use or ground locally for bread making, and thus are not usually included in the commercial durum crop.

Table 17.- WHEAT INCLUDING FLOUR: Exports from the United States, specified weeks, 1929, 1930

Week ended:	Wheat		Wheat flour		Wheat including flour	
	1929	1930	1929	1930	1929	1930
	1,000 bush.	1,000 bush.	1,000 bbls.	1,000 bbls.	1,000 bush.	1,000 bush.
June 7 ..	949	1,051	175	131	1,731	1,647
14 ..	1,570	1,503	212	130	2,566	2,314
21 ..	594	1,319	138	146	1,243	2,305
28 ..	1,031	1,828	248	212	2,197	2,824
July 5 ..	1,202	1,541	105	131	1,696	2,157
12 ..	839	825	243	111	1,981	1,347
19 ..	1,551	3,932	180	209	2,379	4,944
26 ..	3,558	2,782	290	175	4,921	3,604
Aug. 2 ..	1,762	3,327	151	228	2,472	4,899
9 ..	2,678	1,886	144	145	3,355	2,570

Compiled from weekly report of the Department of Commerce.

Table 18.- WHEAT INCLUDING FLOUR: Net imports into European importing countries, 1928-29 and 1929-30

Country	Net imports reported		
	July 1 to	1928-29	1929-30
		Million bushels	Million bushels
United Kingdom	June 30	204	202
Italy	" "	90	42
Germany	" "	68	60
France	May 31	45	24
Belgium	" "	38	39
Netherlands	" "	26	27
Czechoslovakia	" "	16	13
Greece	" "	20	20
Irish Free State	Feb. 28	12	1/ 11
Austria	June 30	15	16
Switzerland	" "	15	17
Sweden	" "	8	7
Norway	" "	9	7
Denmark	" "	19	8
Finland	May 31	5	5
Poland	" "	6	2/
Estonia	June 30	1	1
Latvia	Apr. 30	2	2
Spain	June 30	18	4
Portugal	" "	7	6
Total		624	511

1/ Does not include wheat flour for January and February.

2/ Net exports were 104,000 bushels.

Table 19.-Wheat, including flour: Shipments from principal exporting countries, specified dates, 1928-29 and 1929-30.

Country	: Total shipments		: Shipments, weeks		: Total shipments	
	: or exports		: ending		: or exports from	
	: 1928-29		: 1929-30		: July 1 to & incl	
	: 1,000		: 1,000		: Aug. 9	
	: bushels		: bushels		: bushels	
North America 2/.....	499,942	301,342	9,167	8,283	8,388	41,687
Canada, 4 markets 3/....	458,649	193,380	8,412	6,746	5,177	20,008
United States.....	163,687	149,822	3,604	4,899	2,570	18,369
Argentina.....	217,139	161,378	416	732	1,330	20,451
Australia.....	107,937	61,769	1,304	1,440	1,712	5,754
Russia.....	8	5,672	472	0	392	0
Danube & Bulgaria 4/...	33,975	18,640	24	208	336	472
British India.....5/	5,687	4,171	224	880	880	583
Total 6/.....	864,688	552,972	11,607	11,543	13,038	68,947
Total European ship.7/	705,396	490,448	10,992	--	--	43,696
Total ex. European	:	:	:	:	:	:
shipments 7/.....	220,664	141,904	1,512	--	--	13,356

Compiled from official and trade sources. 1/ Preliminary. 2/ Bradstreet's, weeks ending Thursday, including flour converted at 4.5 bushels per barrel. 3/ Fort William, Port Arthur, Vancouver and Prince Rupert. 4/ Hungary, Yugoslavia, Rumania and Bulgaria. 5/ Net imports for year 1928-29 were 21,729,000 bushels. 6/ Total of trade figures include North America as reported by Bradstreet's. 7/ Totals as reported by Broomhall's Corn Trade News.

Table 20.-Wheat including flour: Shipments from principal exporting regions, specified weeks, 1929, 1930

Week ended	: Argentina		: Australia		: Danube		: North America	
	: 1929	: 1930	: 1929	: 1930	: 1929	: 1930	: 1929	: 1930
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: bushels	: bushels	: bushels	: bushels	: bushels	: bushels	: bushels	: bushels
June 7....	7,120	2,344	2,264	1,336	0	104	10,452	8,348
14....	5,968	3,080	1,632	468	0	80	10,742	7,441
21....	4,800	2,672	1,384	1,840	32	160	8,519	5,448
28....	6,088	2,192	708	656	0	120	7,933	6,757
July 5....	5,328	1,624	1,384	1,508	120	80	4,842	5,254
12....	4,312	780	1,176	1,000	0	168	11,140	8,084
19....	2,926	1,336	1,160	1,064	120	136	6,446	6,759
26....	2,388	416	1,256	1,304	8	24	5,675	9,167
Aug. 2....	2,620	732	592	1,440	208	208	7,998	8,283
9....	5,988	1,330	1,408	1,712	16	336	5,586	8,388

Compiled from official and trade sources.

Table 21.-Wheat: Acreage in specified countries, average 1909-1913, 1923-1927, annual 1928-1930

Country	Average 1909- 1913	Average 1923- 1927	1928	1929	1930
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
NORTH AMERICA					
United States.....	47,097	55,941	58,272	61,103	59,024
Canada.....	9,945	22,018	24,119	25,255	24,730
Mexico..... ^{1/}	2,174	1,637	1,283	1,293	1,224
Guatemala.....	--	24	20	18	13
Total.....	59,216	79,620	83,694	87,669	84,991
EUROPE					
England and Wales.....	1,787	1,603	1,396	1,330	1,346
Scotland.....	57	56	58	51	
Northern Ireland.....	8	6	5	4	
Irish Free State.....	35	31	31	29	
Norway.....	12	23	28		
Sweden.....	255	398	562	574	
Denmark.....	154	216	252	257	
Netherlands.....	138	138	148	112	144
Belgium.....	404	359	408	356	
Luxemburg.....	27	27	37	21	32
France.....	16,500	13,440	12,956	12,749	12,990
Spain.....	9,547	10,638	10,479	10,622	10,530
Portugal..... ^{2/}	1,211	1,055	1,102		
Italy.....	11,793	11,769	12,263	12,172	11,900
Malta.....	9	9	9	9	
Switzerland.....	105	115	127	121	
Germany.....	4,029	3,878	4,269	3,955	4,373
Austria.....	635	489	514	511	
Czechoslovakia.....	1,718	1,584	1,867	2,017	2,112
Hungary.....	3,712	3,608	4,144	3,895	
Yugoslavia.....	3,982	4,213	4,683	5,451	5,245
Greece..... ^{2/}	1,134	1,180	1,329	1,119	
Bulgaria.....	2,409	2,542	2,813	2,617	2,899
Rumania..... ^{3/}	9,515	7,705	7,923	6,734	7,122
Poland.....	3,343	3,190	3,187	3,526	
Lithuania.....	211	253	293	483	
Latvia.....	85	120	134	145	
Estonia.....	23	55	70	82	
Finland.....	8	39	46	47	51
Total.....	72,846	68,749	71,265	68,614	

Continued

Table 21.- WHEAT: Acreage in specified countries, average 1909-1913, 1923-1927, annual 1928-1930 - Cont'd

Country	Average 1909-1913	Average 1923-1927	1928	1929	1930
	1,000	1,000	1,000	1,000	1,000
	acres	acres	acres	acres	acres
AFRICA					
Morocco	(1,700)	2,439	2,665	2,843	2,757
Algeria	3,521	3,492	3,656	3,795	3,620
Tunis	1,310	1,554	2,011	1,730	1,730
Egypt	1,514	1,504	1,590	1,614	
Total	7,845	8,989	9,922	9,982	
ASIA					
India	29,224	31,117	32,193	32,011	31,347
Syria and Lebanon	(900)	1,366	1,024	899	1,154
Japan	1,179	1,180	1,201	1,213	
Chosen	574	887	896	874	
Total	31,877	34,530	35,314	34,997	
Total N. Hemisphere ..	171,784	191,888	200,193	201,262	
SOUTHERN HEMISPHERE					
Chile	1,003	1,547	1,715	1,758	1,646
Argentina, area sown ...	16,051	18,826	21,300	19,430	
Union of South Africa ..	2/ 803	858	984	938	
Australia	7,603	10,907	14,840	14,093	5/ 17,000
New Zealand	241	195	255	234	
Total	25,701	32,333	39,094	36,453	
Total 46 countries	197,485	224,221	239,287	237,715	
Est. world total excl. :					
Russia and China	204,200	230,700	244,800	244,400	
Russia	74,209	61,572	71,879	75,721	

1/ Two-year average.

2/ One year only.

3/ Four-year average.

4/ Excludes Norway and Portugal for which estimates are not available.

5/ Unofficial.

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UNITED STATES DEPARTMENT OF AGRICULTURE
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WORLD WHEAT PROSPECTS

The wheat crop of the Northern Hemisphere outside of Russia now being harvested is likely to be only slightly if any larger than that of the past season. Recent reports from Europe indicate that in many countries the outturn of the wheat crop is smaller and in many cases the quality of the grain is far below that of a year ago. North America is harvesting a larger crop of better quality than a year ago, but the increase in quantity and improvement in quality of the North American crop is probably more than offset by the reduction in quantity and quality of the European crop.

Russia is an important factor in the present situation. Reliable estimates of Russian production or probable exports are not available. Apparently southwestern Russia has a better crop than a year ago. Grain procurements to date are reported to be larger than for the corresponding period a year ago, but not equal to the amount planned for by the Government. Shipments of Russian wheat through the Black Sea ports after July 1 through the second week of September amounted to about 10 million bushels which exceeded the total shipments during the past season. In the 1926-27 season, however, Russia shipped 12 million bushels in the first four months of the season, and 49 millions for the entire season. One authority has estimated that Russian shipments for the present season may equal 48 million bushels.

A large world visible supply and large shipments of wheat from Canada are also important factors in depressing world prices. The large visible supplies are due in large part to large carryover of old wheat and to the early harvests and early marketings of new wheat in the United States and Canada. Receipts at markets in the United States are beginning to decline and Canadian receipts probably will reach a peak earlier in the season than usual. Consequently, the high point in the world's visible supply is likely to be reached earlier this year than last. The large exports of Canadian wheat are due to the harvesting of a larger crop to add to a large carry-over and to a weakening of the power of the Canadian producers to hold their wheat. Canadian wheat is being pressed upon the market as was the Argentine wheat a year ago.

The prospects for the Southern Hemisphere crop will begin to be the important factor in the market within the next two months. Average yields on the larger acreages seeded would result in an increase in production about sufficient to offset the reduction in the stocks of old wheat in Argentina and in Europe at the beginning of the season. The development of these crops will be watched closely during the next few weeks.

The world will use more wheat in the 1930-31 marketing season than in the past season. The reduction in the corn crop of the United States and the low price of wheat in relation to the price of corn will undoubtedly result in the feeding of a large amount of wheat. Europe also has a smaller supply of feed grains to feed more livestock. As a result it is likely that many of the southern European countries will consume less corn and more wheat for food and that the northern European countries will feed more rye and potatoes while they consume more wheat for food. The

requirements outside of Europe and the United States are likely to be about the same as in the past season.

Wheat prices appear to be low enough to stimulate the consumption of wheat both as food and feed where the price is a factor in consumption. The price of all classes and grades of wheat at six markets in the United States in August, for example, averaged only about 84 cents, as compared with about 127 cents in August, 1929, a decline of nearly 34 per cent in twelve months. In the meantime the all-commodity price level in the United States had declined only about 15 per cent. The world supply situation this season seems likely to be not very different from that of the past season, but record visible supplies in the face of continued restrictions upon imports by many of the European countries and uncertain business conditions tend to depress prices in the wheat markets of the world. Some relief from the present depression is likely to follow a turn in the business situation in some of the important producing countries and a reduction in the visible supplies of wheat. Some of the European countries probably will relax their import restrictions later in the season when domestic supplies have been reduced to a low level and domestic prices become relatively high.

In the United States the supply of wheat including carryover is larger than in recent years, but large amounts are being fed and exports are larger than last year. The feeding of wheat in the drought areas has resulted in some improvement in prices, particularly in the soft red winter wheat markets. The supply of soft red winter wheat east of the Rocky Mountains probably has been reduced already below domestic market requirements of this class of wheat. Considerable quantities of other classes of wheat may also have been used in feed mills as well as for feeding on the farm.

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World wheat production

The Northern Hemisphere wheat production as reported by 30 countries totals 2,801 million bushels as compared with 2,645 million bushels in 1929 and 2,985 million in 1928. Conditions in other countries would indicate a total Northern Hemisphere crop excluding Russia and China of about 3,170 million bushels against 3,127 million bushels last year. The North American crop has been estimated at 1,234 million bushels which is 112 million greater than the harvest in 1929. During the past month the estimate of the United States crop has been revised upward 17 million bushels to 837,761,000 bushels. The first official estimate of the Canadian crop issued September 10 was 384,769,000 bushels against 304,520,000 bushels in 1929. The crop was favored by relative freedom from frost damage and by almost ideal weather for harvesting. The short straw and the extended use of the combines have helped to establish a new high record for earliness and volume of grain marketed during August. Inspections show the quality of the grain to be even above that of last year.

Table 1. - Wheat: Production, average 1909-1913, 1923-1927, annual 1928-1930.

Countries reported in 1930 1/	Average 1909- 1913	Average 1923- 1927	1928	1929	1930	Percentage 1930 is of 1929
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	Per cent
United States.....	690,108	809,668	914,876	805,790	837,761	104.0
Canada.....	197,119	403,714	566,726	304,520	384,769	126.4
Mexico.....	2/ 11,481	11,090	11,031	11,333	11,274	99.5
Total North America (3)....	898,708	1,224,472	1,492,633	1,121,643	1,233,804	110.0
Europe (21) 3/.....	995,391	936,373	1,094,523	1,086,254	1,081,245	99.5
North Africa (3)....	58,385	59,930	67,176	77,223	59,636	77.2
Asia (3).....	382,374	381,986	330,271	359,546	426,048	118.5
Total above coun- tries (30).....	2,334,858	2,602,761	2,984,603	2,644,666	2,800,737	4/ 105.9
Estimated world tot- al excluding Russia and China.....	3,041,000	3,451,000	3,973,000	3,491,000		

1/ Figures in parenthesis indicate the number of countries included.

2/ Four-year average.

3/ Does not include France where the crop has been reduced 100 million bushels or more. The official estimates of the Balkan countries which are included are probably too high.

4/ The Northern Hemisphere total exclusive of Russia probably will be about the same as in 1929.

Twenty-one European countries have issued estimates of production which total 1,081,245,000 bushels, which is less than one per cent below the 1,086,254,000 bushels estimated by the same countries last year. No official estimate of the French crop has been issued but a reduction of at least 100,000,000 bushels from last year is expected. Mr. Dawson of the Berlin office who made an inspection tour through the northern French wheat areas estimates the crop at 239,000,000 bushels and reports the crop to be much poorer quality than the 342,000,000 bushels harvested last year. A private estimate of 208 millions has been published recently. The latest Monthly Crop Report of the International Institute of Agriculture states that a reduction is anticipated in some of the preliminary estimates included in the above total as a result of the damage done after the date of the estimates. It therefore seems probable that the reduction in the 1930 European wheat crop excluding Russia may be somewhat more than the 100,000,000 bushels indicated by the above figures and the reduction of 140,000,000 bushels as estimated by Mr. Dawson or the 150,000,000 bushels estimated by a European trade paper are probably nearer correct. The quality of the crop in other countries as well as France appears to be much below last year. Weather conditions in Italy were similar to those prevailing in France and the quality of the crop is described as "the worst in years". Germany has reduced the weight of grain deliverable on the markets confirming the reports of lower quality in that country. Excessive rains also lowered the quality in Belgium, Netherlands and Denmark.

No estimate of the Russian crop has been received but a larger crop than last year has apparently been harvested. Rains late in August delayed harvesting in several regions and considerable quantities of unthreshed grain are reported to be lying on the fields in the southern regions. Procurements during July and August are reported to be more than 50 per cent greater than in the same period last year but below expectations.

Little change has been reported in either the North African or Asiatic crops during the past month.

Reports from the Southern Hemisphere continue much better than last year and prospects are favorable for good crops in both Argentina and Australia. Australia has seeded a record acreage estimated at 17,491,000 acres, nearly 25 per cent above last year. Some of this may be cut for hay or pastured. The International Institute of Agriculture cabled on September 17 that conditions in Victoria, South Australia and Western Australia are very promising with prospects for yields above average. In New South Wales minor damage was reported during August from frost and disease but otherwise the outlook is good. The acreage seeded in Argentina is estimated at 20,159,000 bushels which is 4 per cent above the area sown last year but below either of the two preceding years.

World trade

Wheat shipments from July 1 to September 13 from principal exporting countries were about the same as in the corresponding period of the past season. Shipments for Europe were larger but to non-European countries smaller than a year ago. The United States and Canada have exported 25 million bushels more and Argentina 39 million bushels less; Canada contributed most of the additional 25 million bushels. Increases from Russia, the Danube countries and British India made up the balance of the deficit from Argentina.

Table 2. - Wheat, including flour: Shipments from principal exporting countries

Country	Total shipments: or exports		Shipments, weeks ending			Total shipments or exports from July 1 to & incl. Sept. 13	
	1928-29	1929-30 1/	Aug. 30	Sept. 6	Sept. 13	1929-30	1930-31
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: bushels	: bushels	: bushels	: bushels	: bushels	: bushels	: bushels
North America 2/...	499,942	301,342	10,340	8,212	10,063	69,832	94,125
Canada, 4 markets 3/	458,649	193,380	3,076	5,610	10,740	32,922	64,585
United States.....	163,687	149,822	7,325	3,974	3,875	39,202	44,083
Argentina.....	217,139	160,782	1,032	461	892	49,316	10,057
Australia.....	107,937	60,844	816	512	560	12,714	12,208
Russia.....	8	5,672	1,926	1,560	1,240	0	9,928
Danube & Bulgaria 4/	33,975	18,640	424	592	1,280	2,008	3,648
British India.....	5/5,667	4,171	384	360	72	1,383	4,760
Total 6/.....	864,688	551,451	14,924	11,697	14,107	135,253	134,726
Total European	:	:	:	:	:	:	:
shipments 7/.....	705,396	490,448	13,912	13,184	---	106,968	120,368
Total ex-European	:	:	:	:	:	:	:
shipments 7/.....	220,664	141,904	2,160	1,192	---	30,666	16,912

Compiled from official and trade sources. 1/ Preliminary. 2/ Bradstreet's, weeks ending Thursday, including flour converted at 4.5 bushels per barrel. 3/ Fort William, Port Arthur, Vancouver and Prince Rupert. 4/ Hungary, Yugoslavia, Rumania and Bulgaria. 5/ Net imports for year 1928-29 were 21,729,000 bushels. 6/ Total of trade figures include North America as reported by Bradstreet's. 7/ Totals as reported by Broomhall's Corn Trade News.

The distribution of the crop in the present season, smaller supplies in Europe, and larger supplies in exporting countries, undoubtedly will cause the international trade to be greater than in the past season. The European deficit countries are likely to import about 600 million bushels, 100 millions more than in the past season and nearly as much as in the 1928-29 season. Non-European importing countries probably will take about the same amount as in the past season. Probably all of the principal exporting countries, including India and Russia, may participate in providing larger supplies for importing countries. Probably the increase in takings of importing countries will come mostly from Russia and Canada. The United States may contribute a supply somewhat larger than that of the past season unless demand for feeding in the United States becomes large enough to consume a very large part of the surplus of the United States.

Prices

Wheat prices have fallen to a low level throughout the world. The average farm price of wheat in the United States declined to 70.6 cents in July, then improved a little, increasing to 74 cents in August. The average of September farm prices may not be as high as in August. Prices of all classes and grades of wheat at six markets fell from 86 cents at the middle of August to 81 cents the first week in September and have remained at about that level during the past two weeks. In the second week of September the average was 49 cents below the corresponding week of a year ago.

The prices of each of the several classes and grades have fallen to a correspondingly low level. Soft red winter wheat prices are being held up to some extent by feeding demand. The Market News Service reported that in the week ended September 20 soft winter wheat at St. Louis brought premiums of 6 cents per bushel over the Chicago December futures price. No. 2 soft red winter wheat was quoted at Chicago at 88 cents against $83\frac{1}{2}$ for hard red winter. At St. Louis No. 1 soft red winter was quoted at 91 to 92 cents per bushel.

Minneapolis prices for red spring wheat appear to be above an export basis. No. 1 Northern spring at Minneapolis was quoted September 22 at 82 to 85 cents per bushel, which is higher than the prices for No. 1 Manitoba in Winnipeg and considerably higher than the price of No. 3 Manitoba with which this wheat is generally compared.

Hard winter wheat prices, on the other hand, have been on an export basis. Comparing No. 2 hard winter wheat in Kansas City with the price of parcels in Liverpool, it may be noted that in July the Kansas City price averaged about 26 cents below Liverpool and in August 27 cents. This margin is wider and more favorable to exports than a year ago when the margins were 16 to 19 cents.

It is interesting to note the shifts in the relations between some of the most important world markets. The margin between Liverpool and Winnipeg is much wider than a year ago, whereas that between Liverpool and Buenos Aires is much narrower. In August Rosafe wheat averaged only 11 cents below the price of No. 3 Northern Manitoba in Liverpool, whereas a year ago it averaged 30 cents below. Rosafe averaged 3 cents above No. 2 hard winter at Liverpool; a year ago 4 cents under the same wheat. These shifts in price relationships show very clearly that the position of any one market in relation to other markets is determined in some measure by the amount of wheat available for export from the country in which the market is located. The Argentine supply is short, whereas the Canadian supply is abundant, and the Canadian producers must sell. Consequently the price of Canadian wheat moves down to a basis that will induce foreign buyers to take larger amounts of the Canadian wheat.

	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires
Date	1929	1930	1929	1930	1929	1930
	Cents	Cents	Cents	Cents	Cents	Cents
Aug. 7:	143	102	136	94	141	99
14:	144	95	137	88	142	95
21:	140	95	134	86	139	91
28:	142	91	135	85	140	88
Sept. 4:	140	87	134	81	140	85
11:	144	87	137	81	145	85
18:	139	87	133	81	140	85
25:	137		131		141	
Oct. 2:	133		120		137	
9:	135		130		137	

2/ September futures. 3/ October futures. 4/ February futures.

[illegible]

1/ Weekly average of daily cash quotations basis No. 1 sacked 30 days delivery.

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Table 5.- Wheat: Price per bushel at important world markets, January-August, 1929 and 1930

Month	: : Liverpool : : Parcels 1/:	: : Winnipeg 2/ : : States 3/ :	: : United : : Aires 4/	: : Buenos : : Aires 4/
	: 1929: 1930:	: 1929: 1930:	: 1929: 1930:	: 1929: 1930:
	: Cents: Cents:	: Cents: Cents:	: Cents: Cents:	: Cents: Cents:
Jan.	131 : 140	112 : 123	114 : 119	109 : 119
Feb.	135 : 124	120 : 110	118 : 113	112 : 107
Mar.	131 : 119	119 : 100	116 : 102	112 : 100
Apr.	125 : 120	115 : 103	110 : 101	108 : 106
May	116 : 114	107 : 104	101 : 99	100 : 103
June	117 : 110	112 : 98	105 : 89	97 : 100
July	141 : 106	152 : 90	125 : 80	120 : 94
1st week..	133 : 107	129 : 91	113 : 82	106 : 93
2nd week :	133 : 106	136 : 89	117 : 81	113 : 92
3rd week :	141 : 106	160 : 90	130 : 79	119 : 95
4th week :	147 : 108	163 : 93	129 : 81	126 : 95
5th week :	148 : 105	167 : 88	131 : 78	127 : 94
Aug.	142 : 106	152 : 88	123 : 81	120 : 95
1st week :	144 : 105	152 : 93	121 : 80	122 : 94
2nd week :	139 : 112	151 : 91	124 : 83	119 : 98
3rd week :	143 : 110	144 : 86	122 : 80	123 : 95
4th week :	138 : 104	146 : 83	120 : 83	117 : 93

1/ Average of all parcels; from Broomhall's Daily Corn Trade News.

2/ No. 3 Northern Manitoba.

3/ No. 2 Hard Winter, Kansas City.

4/ Early Delivery futures; from the New York Journal of Commerce.

Table 6.- Wheat: Liverpool parcels price per bushel by classes

Month and Week	: No. 3 Northern Manitoba : : Manitoba :	: No. 2 Hard : : Winter :	: Rosaflo : (62½ lbs)
	: 1929 : 1930 :	: 1929 : 1930 :	: 1929 : 1930 :
	: Cents : Cents:	: Cents: Cents:	: Cents: Cents:
July (average)...	164 : 109	143 : 103	140 : 103
1st week....	141 : 109	132 : 103	127 : 103
2nd "	153 : 108	135 : 103	133 : 102
3rd "	164 : 107	145 : 102	142 : 104
4th "	180 : 109	149 : 104	147 : 104
5th "	184 : 105	153 : 103	149 : 105
Aug. (average)...	170 : 119	144 : 105	140 : 108
1st week ...	179 : 110	147 : 106	145 : 106
2nd " ...	166 : 115	141 : 108	139 : 111
3rd " ...	168 : 102	146 : 104	142 : 107
4th " ...	164 : 102	140 : 103	136 : 105
Sept.	:	:	:
1st week ...	163 :	142 :	138 :

Broomhall's Daily Corn Trade News.

	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires
Dato	1929	1930	1929	1930	1929	1930
	Cents	Cents	Cents	Cents	Cents	Cents
Aug. 7:	143	102	136	94	141	99
14:	144	95	137	88	142	95
21:	140	95	134	86	139	91
28:	142	91	135	85	140	88
Sopt. 4:	140	87	134	81	140	85
11:	144	87	137	81	145	85
18:	139	87	133	81	140	85
25:	137		131		141	
Oct. 2:	133		126		137	
9:	135		130		137	

2/ September futures. 3/ October futures. 4/ February futures.

[illegible]

1/ Weekly average of daily cash quotations basis No. 1 sacked 30 days delivery

WH-53

Table 5.- Wheat: Price per bushel at important world markets, January-August, 1929 and 1930

Month	: : Liverpool 1/ : 1929: 1930:	: : Winnipeg 2/ : 1929: 1930:	: : United States 3/ : 1929: 1930:	: : Buenos Aires 4/ : 1929: 1930:
	Cents	Cents	Cents	Cents
Jan.	131	140	112	123
Feb.	135	124	120	110
Mar.	131	119	119	100
Apr.	125	120	115	103
May	116	114	107	104
June	117	110	112	98
July	141	106	152	90
1st week..	133	107	129	91
2nd week :	133	106	136	89
3rd week :	141	106	160	90
4th week :	147	108	163	93
5th week :	148	105	167	88
Aug.	142	106	152	88
1st week :	144	105	152	93
2nd week :	139	112	151	91
3rd week :	143	110	144	86
4th week :	138	104	146	83

- 1/ Average of all parcels; from Broomhall's Daily Corn Trade News.
 2/ No. 3 Northern Manitoba.
 3/ No. 2 Hard Winter, Kansas City.
 4/ Early Delivery futures; from the New York Journal of Commerce.

Table 6.- Wheat: Liverpool parcels price per bushel by classes

Month and Week	: : No. 3 Northern Manitoba : 1929 : 1930	: : No. 2 Hard Winter : 1929 : 1930	: : Rosaflo (62½ lbs) : 1929 : 1930
	Cents	Cents	Cents
July (average)...	164	109	143
1st week....	141	109	132
2nd "	153	108	135
3rd "	164	107	145
4th "	180	109	149
5th "	184	105	153
Aug. (average)...	170	119	144
1st week ...	179	110	147
2nd " ...	168	115	141
3rd " ...	168	102	146
4th " ...	164	102	140
Sept.			
1st week ...	163		142

Broomhall's Daily Corn Trade News.

The United States

The September increase in spring wheat forecasts added to the carry-over and previous estimates indicates a supply of domestic wheat of about 1,113 million bushels of wheat for the United States in the 1930-31 marketing season. The crop has moved to market at a rapid rate and the visible supply is very large, exceeding that of the corresponding dates last year. A shortage of feed grains, however, is increasing the demand for wheat in the United States.

Feeding wheat

Farm prices of wheat and corn are such as to encourage a great increase in the feeding of wheat. Prices reported as of August 15 indicated that in all States excepting Georgia and South Carolina the price of wheat per bushel was below the price of corn. The average for the United States was, wheat 74 cents and corn 90 cents. Since the feeding value of a bushel of wheat is greater than that of a bushel of corn it is obvious that this price disparity will encourage wheat feeding.

Data are not available to indicate accurately the amount of wheat fed to livestock in the past seasons. In the past 5 years the amount of wheat remaining after exports, carryover and mill grindings were accounted for, averaged 43 million bushels. This figure includes wheat fed, lost, wasted and variations in accuracy of estimates. The Food Research Institute has calculated similar figures for earlier years. In the 1901-2 season the figure was 92 millions, in 1913-14, 65 millions, and in 1923-24, 142 millions ^{1/}. Undoubtedly a large part of the variation of these figures is due to variation in feeding. Feed shortage for the present season is greater and wheat is relatively cheaper than in any of the previous seasons noted.

Should the September forecast and estimates of production be born out the feed grain supply for the 1930-31 season would amount to about 89 million tons compared with 105 last year and 108.5 for the 5-year average, 1924-28. About 500 million bushels of wheat would be required to make up for the reduction from the average consumption (1924-28) of corn, oats, barley and the grain sorghums, to say nothing of the shortage of hay and pastures.

^{1/}

Wheat Studies of the Food Research Institute - Vol. IV, No. 4.

Wheat consumption

The annual consumption of wheat by mills in the United States is fairly constant. During the past five years mill grindings have ranged from 547 to 569 million bushels. In the past four years grindings have ranged from 566 to 569 million bushels. The grindings of about 3 million bushels are required for Alaska, Hawaii and Porto Rico, and grindings of 61 millions for exports. The annual consumption of ground wheat in the Continental United States in the past five years has averaged about 502 million bushels, or 4.2 bushels per capita. The disappearance of flour in terms of wheat in the past season was only 499 million bushels or 4.1 bushels per capita.

The requirements of the United States for food and seed during the coming year seem likely to be about 585 million bushels. The disappearance for feed, loss, waste and variations in estimates from the actual cutturn has averaged about 43 million bushels in the past five years. This would establish the normal requirements for the United States at about 628 million bushels, and undoubtedly wheat feeding will be much larger than normal in the 1930-31 season.

It would be difficult to forecast definitely how the remaining supply of wheat in the United States would be utilized. A considerable quantity must be carried over at the end of each year to supply the mills while the new wheat is moving to the mills and being conditioned for grinding. The smallest carryover in recent years was 99 million bushels following a short crop. A normal carryover for a moderate sized crop following a moderate carryover would seem to be about 125 to 130 million bushels.

The United States has a fairly constant export flour trade, part of which is supplied by the grinding of wheat imported in bond, but a large part of which is from domestic wheat. As indicated above, it requires about 60 million bushels to produce the export flour. A considerable amount of grain has already moved into export. In fact, the shipments of wheat and flour from July 1 through the week ending September 13 total 44 million bushels, 5 millions in excess of the exports in the corresponding period of the past season. Prices in the United States are low enough in relation to European markets to encourage exports. The net exports of wheat including flour from the United States in the past season amounted to 140 million bushels. Since the world supply is not likely to be very different from that of the past season and Europe will require more wheat, the United States may be called upon to contribute more than in the past season, unless the domestic demand raises the price in relation to foreign market prices so high as to check exports.

Table 7.- Wheat flour: Supply, distribution and per capita consumption in the United States, in terms of wheat, 1925-1930

Item	Year beginning July 1					
	1925- 26	1926- 27	1927- 28	1928- 29	1929- 30	1930- 31
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Supply						
Stocks July 1 ^{1/}						
Held by mills ^{2/}	17	16	18	18	19	18
Visible supply	9	10	9	9	13	20
Mill grindings						
Commercial mills ^{3/}	557	556	558	567	559	
Custom and small mills	10	10	10	10	10	
Imports	^{4/}	^{4/}	^{4/}	^{4/}	^{4/}	
Total supply	573	592	595	604	601	
Accounted for						
Shipments to Alaska:						
Hawaii, Porto Rico:	3	3	3	3	3	
Exports	45	63	60	61	61	
Stocks, June 30						
Held by mills ^{2/}	16	18	18	19	18	
Visible supply	10	9	9	13	20	
Total accounted for	74	93	90	96	102	
Balance available for consumption	499	499	505	508	499	
Population Jan. 1, (millions)	116.3	117.9	119.3	(120.8)	(122.7)	
Disappearance per capita (bushels)	4.29	4.23	4.23	4.21	4.07	

^{1/} Estimates of flour stocks in all positions as reported by H. L. Russell, converted to bushels on the basis of 4.7 bushels to the barrel, as of July 1 in million bushels, are as follows: 1925, 28; 1926, 31; 1927, 29; 1928, 29; 1929, 38; 1930, 44.

^{2/} Census Bureau, Dept. of Commerce, raised to 100 per cent, based on the Biennial Censuses of 1923, 1925 and 1927.

^{3/} Includes small amounts of wheat ground, for purposes other than flour.

^{4/} Less than 500,000 bushels.

Movement of crop during July and August

Receipts of wheat at 14 principal markets during July 1930 were heavier than for the same month for either 1928 or 1929 but for August 1930 receipts were lighter than for August 1929. The slowing up in marketing which started in August has been due in large part to low prices and the decreases in the condition of the spring wheat crop. Although there probably is more wheat on farms now than at this time last year, there may be less wheat to go to market during the remainder of the year. Relatively low prices of wheat with respect to prices of corn and other feed grains may cause many farmers to feed much of their wheat. There is evidence to indicate that much of the wheat being held on farms is located in sections in or near livestock feeding areas, therefore much of this wheat may never appear in the United States visible supply.

Shipments of wheat from these same markets for July and August have been considerably smaller than for these months last year and only slightly above shipments for the corresponding period 1928. With heavier receipts and smaller shipments more wheat has been held in store at these markets than last year. An increase in storage capacity during the year of about 40 million bushels has enabled these markets to handle this additional wheat without congestion or any serious discount in cash prices.

Receipts at Gulf ports have also been heavier this year than for July and August of either of the previous two years but exports have kept pace with receipts. Total exports of wheat for July and August 1930 were about 5 million bushels above exports for these months last year and 11 million above July and August 1928.

Table 8.- Wheat: July and August receipts at specified markets
1928 - 1929 - 1930

Market	Receipts of wheat					
	1928		1929		1930	
	July:	Aug.	July	Aug.	July	Aug.
	1,000	1,000	1,000	1,000	1,000	1,000
	bushels:	bushels	bushels	bushels	bushels	bushels
Chicago	3,469:	11,065	8,078	13,502	11,854	6,405
Sioux City	396:	667	362	628	673	603
Milwaukee	1,880:	1,280	2,496	2,770	1,521	1,153
Minneapolis.....	4,892:	12,257	8,473	22,901	5,290	20,092
Duluth	1,663:	5,235	5,970	16,083	2,663	13,779
St. Louis	9,463:	10,458	8,803	7,757	13,490	8,962
Toledo	764:	2,342	2,055	3,094	3,408	1,815
Detroit	110:	292	135	335	219	243
Kansas City	35,396:	17,020	35,216	12,650	32,103	10,937
Peoria	234:	587	269	552	659	266
Omaha	3,654:	14,064	9,899	12,083	12,500	12,648
Indianapolis ..	225:	966	1,305	2,023	2,409	661
St. Joseph	2,700:	2,139	5,315	2,663	4,614	2,079
Wichita	13,387:	2,641	10,839	4,182	9,855	3,280
	:	:	:	:	:	:
Total	78,233:	81,013	99,215	101,223	101,308	82,923

Compiled from daily receipts as published in the Chicago Daily Trade Bulletin

Table 9. - Wheat: Visible supply in the United States by weeks, 1929 and 1930.

Week ended on specified date, 1930, and the correspond- ing week in 1929	1929	1930
Week ended:	Million bushels	Million bushels
June 28	90	109
July 5	93	114
12	99	120
19	105	130
26	116	144
Aug. 2	136	162
9	156	173
16	172	184
23	179	195
30	186	201
Sept. 6	189	204
13	192	214
20	195	218
27	197	
Oct. 4	199	
11	201	
18	201	
25	203	
Nov. 1	202	
8	200	

Protein premium

Premiums paid for high protein in this year's crop of hard winter wheat have been relatively small because of the large supplies of wheat grading fairly high in protein.

During the five years 1925-1929 inclusive the highest protein premiums were paid in 1927 and 1928. It appears as though high premiums for protein in hard winter wheat have been paid when the supply of spring wheat (normally higher in protein than hard winter) was relatively small or the protein content of spring wheat was below average. The protein test of spring wheat of the 1927 and 1928 crops was below average. High protein premiums for hard winter wheat continued throughout the 1927-28 crop year and for the first few months of the 1928-29 year. The decline in premiums during the latter year in spite of the relatively low protein content of spring wheat can in all probability be traced to the larger supply of spring wheat for that year.

Owing to relatively high protein content of spring wheat and large carry-over for all wheat last year the premiums paid for high protein tended downward throughout the 1929-30 crop year. An exception to this tendency was wheat testing 13 per cent and above which commanded relatively high premiums during June 1930.

The spring wheat crop this year is estimated to be only slightly less than that of last year, the supply of spring wheat for milling purposes this year is probably larger than it was last. These supply factors together with the fact that the protein content of this year's spring wheat crop is reported to be well above the average, indicates that premiums for protein in hard winter wheat this year probably will be only moderate to low. The premiums for high protein in spring wheat are also likely to continue low. Occasionally premiums paid for wheat of high test weight or low moisture content, tend to obscure the protein premiums but there is no occasion for that this year with the unusually large supply of heavy dry wheat.

Table 11. - Licensed inspections of hard red winter wheat in Kansas, Texas and Oklahoma for the month of July 1925-1930, average 1925-1929

Kansas

Year	No. 1	No. 2	No. 3	No. 4	No. 5	Total	1/					
	Per:	Per:	Per:	Per:	Per:	Per:	Per:					
	Cars	cent	Cars	cent	Cars	cent	Cars	cent				
1925.....	4,553	30.7	6,600	44.5	2,666	18.0	717	4.8	157	1.0	14,836	100
1926.....	25,088	57.2	14,575	33.2	2,875	6.6	724	1.6	271	.6	43,876	100
1927.....	12,751	50.6	8,649	34.3	2,449	9.7	922	3.6	217	.9	25,212	100
1928.....	25,109	47.3	15,936	30.0	6,044	11.4	4,149	7.8	359	.7	55,051	100
1929.....	10,396	18.3	21,000	37.0	16,266	28.6	3,139	10.8	1,134	2.0	56,781	100
5 yr. av.	15,579	40.2	13,352	34.5	6,060	15.6	2,530	6.5	423	1.1	38,751	100
1930.....	22,514	45.5	17,963	36.3	5,749	11.6	1,952	4.0	665	1.4	49,442	100

Texas

Year	No. 1	No. 2	No. 3	No. 4	No. 5	Total
	Per:	Per:	Per:	Per:	Per:	Per:
	Cars:cent:	Cars:cent:	Cars:cent:	Cars:cent:	Cars:cent:	Cars:cent:
1925.....	1,086:25.8	2,138:50.9	805:19.1	120:2.9	19: .4	4,204: 100
1926.....	14,103:53.2	8,024:32.0	2,169:8.7	331:1.5	79: .3	25,037: 100
1927.....	2,509:22.3	5,510:49.0	2,460:21.9	256:4.1	139:1.2	11,247: 100
1928.....	7,011:41.3	7,147:42.1	1,974:11.6	384:2.3	133: .8	16,938: 100
1929.....	14,562:43.5	12,130:36.7	4,204:12.7	792:2.4	303: .9	33,046: 100
Av. 1925-						
1929	7,915:43.2	6,990:38.6	2,322:12.8	426:2.4	136: .7	18,110: 100
1930.....	15,242:60.8	7,424:29.6	1,311:5.2	452:1.8	334:1.3	25,087: 100

Oklahoma

Year	:	No. 1	:	No. 2	:	No. 3	:	No. 4	:	No. 5	:	Total	
	:	Per:	:	Per:	:	Per:	:	Per:	:	Per:	:	Per	
	:	<u>Cars</u>	<u>cent:</u>	<u>Cars</u>	<u>cent:</u>	<u>Cars</u>	<u>cent:</u>	<u>Cars</u>	<u>cent:</u>	<u>Cars</u>	<u>cent:</u>	<u>Cars</u>	<u>cent:</u>
	:	:	:	:	:	:	:	:	:	:	:	:	
1925.....	:	838	:37.7:	1,206	:55.9:	114	:5.0:	13	:.6:	12	:.5:	2,299:	100
1926.....	:	3,135	:62.0:	1,605	:33.4:	172	:3.4:	31	:.6:	16	:.3:	5,052:	100
1927.....	:	2,185	:52.2:	1,674	:40.0:	226	:5.4:	47	:1.1:	33	:.8:	4,187:	100
1928.....	:	4,281	:46.1:	3,344	:36.0:	1,034	:11.7:	405	:4.4:	28	:.3:	9,279:	100
1929.....	:	1,421	:13.3:	3,837	:36.0:	4,124	:38.7:	973	:9.1:	128	:1.2:	10,663:	100
1930.....	:	3,405	:47.8:	3,168	:43.5:	475	:6.5:	86	:1.2:	34	:.5:	7,204:	100
Av. 1925-	:	:	:	:	:	:	:	:	:	:	:	:	:
1929	:	2,376	:37.6:	2,365	:37.5:	1,144	:13.2:	295	:4.7:	43	:.7:	6,296:	100

1/ Includes figures for sample grade, not separately shown.

Minimum test weight per bushel for each grade of Hard Red Winter Wheat is as follows: No. 1 - 60 pounds. No. 2 - 58 pounds. No. 3 - 56 pounds. No. 4 - 54 pounds. No. 5 - 51 pounds.

Table 12. - Wheat: Protein content by States, 1925-1930

State	1925	1926	1927	1928	1929	1930
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
<u>Spring wheat</u>						
Minn.	12.10	12.40	11.45	12.35	11.95	---
N. Dak.	11.95	13.20	11.70	12.15	13.70	15.07
Mont.	14.25	14.05	12.00	12.55	14.55	15.54
S. Dak.	12.95	13.60	12.40	12.65	13.65	---
Weighted average . . .	12.48	13.26	11.89	12.34	13.59	---
<u>Hard red winter wheat</u>						
Kans.	---	---	13.00	11.79	12.50	1/12.64
Nebr.	---	---	12.54	10.87	11.90	11.27
Okla.	---	---	12.98	12.00	12.00	---
Tex.	---	---	15.00	13.50	12.55	12.95
Weighted average 2/ .	---	---	13.02	11.70	12.37	12.30

Spring wheat from data furnished by Col. Wilkinson's office (Minneapolis) except 1930 which is from Mr. Coleman's office. Winter wheat, from Missouri - Kansas Laboratories reports except 1930 which is from wheat inspections of the Grain Division, Bureau of Agricultural Economics.

1/ Missouri - Kansas State laboratories report a weighted average test of 12.42.

2/ Weighted average excludes Oklahoma.

Table 13.- Wheat: Number of cars and protein content
inspected at Kansas City, Missouri,
specified periods, 1930 1/

Period	Cars	Protein content	
		Per cent	
Aug. 4 - 9	2,645	12.12	
Aug. 11 - 16	1,941	12.52	
Aug. 17 - 23	1,033	12.21	
Aug. 25 - 30	1,185	12.33	
Sept. 1 - 6	1,210	12.47	
Sept. 8 - 13	1,289	12.19	

1/ Supplied by Market News Service Hay Grain and Food Division.

Table 14.- Protein content of wheat in all line cars received
at Minneapolis, as determined by protein laboratory of grain
investigation, Minnesota grain inspection department,
specified periods, 1930

Week ended	No. of cars	Protein content		
		High	Low	Average
Aug. 1	1,843	20.3	19.60	13.24
Aug. 8	2,745	20.4	19.10	13.34
Aug. 15	3,878	20.4	19.10	14.84
Aug. 22	5,381	20.2	19.80	14.94
Aug. 29	3,261	20.4	19.70	14.26
Sept. 5	3,474	20.0	19.10	14.41
Sept. 12	4,151	20.1	19.30	14.33

Table 15. - Wheat No. 2 hard winter: Average premiums paid per bushel for protein over the price paid for 11.25-11.45 per cent, by months, at Kansas City, 1925-1930

Year	Per cent protein											
	11.25-11.45(base)	11.75 - 11.95	12.25 - 12.45	12.75 - 12.95	13.00 - 13.45							
	July	Aug.	Sept.	July	Aug.	Sept.	July	Aug.	Sept.	July	Aug.	Sept.
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1925....	153.3	156.0	158.0	.6	1.4	2.1	1.7	2.2	3.0	3.1	2.9	4.1
1926....	135.0	130.4	131.2	.5	1.1	1.6	2.0	2.2	2.8	2.9	3.1	3.3
1927....	135.5	133.9	129.5	1.8	3.1	5.0	7.4	6.2	8.5	10.6	9.4	10.4
1928....	122.4	104.1	106.7	2.6	.2	7.4	3.7	1.8	11.5	7.5	4.5	10.9
1929....	122.6	122.3	124.4	.6	.4	3.1	1.3	1.0	6.6	2.6	.4	9.7
1930....	79.9	81.5	-	.1	.3	.6	1.2	-	1.6	2.6	-	2.9

1/ 1925-1927, the base is, 11.25 - 11.70 per cent.

Table 16. - Wheat No. 1 dk. no. spring 1/2: Average premiums paid per bushel for protein over the price paid for No. 1 northern spring (cash close), by months, Minneapolis, 1926-1930

Year	Per cent protein											
	No. 1 northern spring											
	cash close (base)	12	13	14								
	July	Aug.	Sept.	July	Aug.	Sept.	July	Aug.	Sept.	July	Aug.	Sept.
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1926.....	168.3	150.9	140.8	5.5	4.0	3.3	8.1	7.1	6.6	10.4	9.4	9.1
1927.....	144.1	145.0	132.3	4.2	4.3	5.3	10.3	9.8	12.8	15.1	15.7	20.2
1928.....	132.8	112.3	110.9	8.9	6.6	6.3	22.8	16.8	15.9	32.9	24.8	25.3
1929.....	137.6	133.2	132.9	1.2	.9	1.0	9.1	5.1	2.4	17.3	7.6	3.6
1930.....	89.1	89.2	-	2.8	1.1	-	5.3	1.8	-	7.3	2.6	-

1/ 1926 - August 4, 1928, Classified as No. 1 wheat.

Wheat stocks

Visible supplies of wheat on September 20 were 218 million bushels, 23 millions greater than on the corresponding date of 1929. Throughout the season to that date, visible supplies have been maintained at from 12 to 28 million bushels above supplies at the corresponding periods in 1929. Last year the peak of visible supplies came the last week of October, having remained at nearly that level from about the middle of September.

Commercial stocks of all grain in store at the principal markets on September 13 were 240 million bushels which is 29 million above the level at the same markets on the corresponding date in 1929. For the past few weeks grain has been flowing to market much faster than during the corresponding period last year. In spite of the heavier stocks and larger receipts during the past few weeks there appears to be little danger at present of a recurrence of last year's experience in congestion at Minneapolis and Duluth. It is probable that the peak in stocks will come about the middle of October or a little earlier than last year when it came October 26.

Table 17. - Stocks of all grain, unfilled storage space available for storing new crop and per cent of total space filled at 14 principal markets on stated dates

Market	Sept. 14, 1929			Sept. 13, 1930		
	Stocks	Per	Available	Stocks	Per	Available
	all grain	cent filled	space unfilled	all grain	cent filled	space unfilled
	1,000 bushels	Per cent	1,000 bushels	1,000 bushels	Per cent	1,000 bushels
Kansas City...	29,680	98	-	27,319	87	333
Hutchinson....	2,058	61	992	6,448	79	905
Wichita.....	2,064	83	172	3,666	93	-
Omaha.....	12,679	91	-	16,772	89	-
Chicago.....	41,848	88	-	42,837	82	1,493
Duluth.....	34,069	79	2,545	38,676	78	6,689
Minneapolis...	56,308	88	692	56,090	83	1,250
Milwaukee.....	5,672	75	767	7,890	110	-
St. Joseph....	6,446	81	709	6,952	70	1,505
St. Louis.....	5,033	66	1,938	9,520	81	1,113
Galveston.....	2,831	62	1,036	9,269	102	-
New Orleans...	3,594	66	1,299	4,367	80	284
Fort Worth....	7,037	76	876	7,828	64	1,315
Houston.....	1,574	79	126	2,100	70	450
Total.....	210,905	84	6,426	239,734	83	12,500

1/ The Galveston stocks as reported appears to be in error. Exports of wheat from Galveston exceeded receipts which leads to the conclusion that stocks on September 13 should be less than the 7,369,000 bushels reported a week previous.

Canada

The Canadian wheat crop is officially estimated at 385 million bushels as compared with 305 million in 1929. Weather reports indicate yields which, on the acreage officially reported for harvest, would produce about 370 million bushels. The actual outturn of the crop seems more uncertain than usual because of the great variability in yields and uncertainty as to the acreage that may have been abandoned. The crop in the western provinces was harvested without any appreciable frost damage and threshing has been proceeding rapidly under favorable conditions. A completion of threshing is expected in record time. Rust damage in Manitoba and eastern Saskatchewan will probably reduce the merchantable crop to some extent.

The quality of the crop is excellent and is reported to surpass even that of last year. Inspections during August included 93 per cent contract grades as compared with 88 per cent in August of 1929. No. 1 Manitoba hard and No. 1 Manitoba Northern comprised 63 per cent of the total this year as against 22 per cent in 1929.

Deliveries are much heavier than in the corresponding period last year. Western inspections in August amounted to 21 million bushels; last year only about 6 millions. Total receipts at Ft. William, Port Arthur, Vancouver and Prince Rupert from August 1 through September 13 totaled 33 million bushels compared with 8 million in the same period last year. The early marketing is attributed to the early ripening of the crop and good harvesting weather, and also probably to a greater pressure on the farmers to market this year than a year ago. In spite of the heavy marketing, stocks have not been piling up, amounting to 36 million bushels September 13 as against 43 million on that date in 1929.

Canadian wheat has been moving into export at a good rate. Shipments from four western markets since July 1 have been about double the shipments for the corresponding period of last season. Canada has largely taken the place of Argentina as the heavy shipper early in the season. Canadian prices are considerably below those of a year ago and are low relative to European prices. This is facilitating exports. The export movement will be checked with the closing of the Lakes which is usually in the second week of December.

The position of the Canadian wheat grower and the reduction in advances made by the Pool have undoubtedly been important factors in moving the new crop at a rapid rate. A year ago conditions generally were such as to encourage the Canadian producers and the Pool to hold their wheat. The Pool advanced \$1.00 per bushel on wheat delivered to it. A very short crop led Canadian producers and the Pool generally to expect relatively high prices for the crop. The world-wide financial and business depression, however, reduced prices to a low level toward the end of the season. The new season began with a large carryover of old wheat, a larger new crop and a very low general price level. The Canadian producer was not in position to hold for higher prices. Obviously the Pool was not in position to advance as much as a year ago. It is reported that toward the end of the season non-Pool farmers, realizing that the advance of the Pool on the 1929 crop was about equal to or greater than the cash value of the crop, began applying for membership in the Pool. The initial payments or advances were reduced to 85¢ per bushel on June 25, and later reduced to 70¢ a bushel. The harvesting of the new crop

brought the Pool face to face with the problem of financing that crop on a greatly reduced price level. It was finally agreed that the initial payment on the 1930 crop delivered August 26 and thereafter until further notice should be 60¢ a bushel on the basis of No. 1 Northern at Fort William. This is 25¢ below the lowest advance hitherto made by the Pool and 40¢ below the initial payment for wheat for every year but one since the Pool began operations.

The Canadian Grain Act

The Dominion Parliament has recently passed a revised Canadian Grain Act. As revised, the Act provides for a Board of Grain Commissioners consisting of three members. This Board is authorized to make the necessary rules and regulations for the operation of the Act. Two of the most significant changes are in adding a statutory grade No. 4, and in prohibiting the elevator mixing of certain grades. The previous Grain Act provided for four statutory grades and all the wheat not falling in these grades was subject to commercial grades. The revised Act established No. 4 Northern as a statutory grade. Under the revised Act a public terminal elevator is not allowed to mix any grades of grain. A semi-public terminal elevator or a private terminal elevator is not allowed to mix the four top grades.

Australia

Weather prospects in Australia are generally favorable and an average yield or better seems to be in prospect. The size of the actual harvest is in considerable doubt on account of weather uncertainties for the balance of the season and uncertainty as to the amount of harvested acreage.

The wheat acreage sown is reported as 17,491,000 acres which is a 24 per cent increase over the harvested acreage of 1929. There is little doubt of there being a big increase in wheat acreage but there is some question whether the increase reported is indicative of the increase in area to be harvested for grain.

A considerable increase in wheat acreage seemed probable in view of the poor returns from sheep in the eastern states in 1929-30. It has been stated by people familiar with conditions there that the returns from sheep, the most important farm product in some of those regions, has an important bearing on the wheat acreage sown and in 1929-30 wool prices were the lowest in recent years, being 40 per cent below the price for the preceding season. It has been stated that graziers who have not sown wheat in years put in large areas this season, in spite of low wheat prices. Government efforts to establish a Commonwealth Pool and a guaranteed price for wheat may have had further effect in increasing the acreage.

There is a possibility of a reduction of some 1,500,000 acres or more for wheat acreage used for hay and feeding off, but on the other hand later revisions may increase the final figure above the amount now reported. The wheat area for harvest as grain is usually reported about the middle of October after the effect of drought in the growing season has become apparent and it is known how much is to be fed off instead of cut for grain. The 17,491,000 acres above mentioned was reported about the middle of September, probably before this point was established. In New South Wales in the

period 1923-24 to 1927-28 the amount fed off varied from 22,000 acres in 1924-25 to 622,000 acres in 1927-28. The corresponding figures are not known for the other states but they are believed to be smaller. There is further question as to whether the acreage figure includes wheat sown for hay. The acreage usually reported in October is exclusive of area used for hay. In the five years 1923-24 to 1927-28 the average wheat area harvested for hay amounted to about 1,150,000 acres, the actual amount varying from a minimum of about 919,000 acres in 1926-27 to 1,228,000 in 1925-26. Following the failure of the bill to establish a minimum wheat price, it is possible that some of the acreage planned for grain harvest may be cut for hay.

If it is assumed that the 17,491,000 acres reported for 1930 includes the wheat for hay and amounts fed off, and an average allowance of about 1,450,000 acres for these purposes is made, the balance for grain might be reduced to about 16,000,000 acres.

Weather conditions through August have been favorable for an average yield or better, in the country as a whole. Rainfall during the planting and growing season in important parts of the wheat zone of the different states has been about average. The drought prior to planting may result in some lowering of yields but no great reduction is expected. Preliminary studies of the effect of rainfall prior to seeding time do not indicate any close relationship and reports on the appearance of the crop give no evidence of suffering from the previous drought. September rainfall is an important factor in determining yields, and in Western Australia, at least, the October temperature is important so no very close indication of the final yield can be made at the present time. Reports on the appearance of the fields have been favorable, and are indicative of average yields or better.

A yield of 12.3 bushels to the acre, the average for the past ten years, on the full sown acreage would give a harvest of 215 million bushels. On 16,000,000 acres this yield would give a crop of 197 million bushels.

The Orient

The market for American flour in Dairen is being stimulated by poor harvesting prospects in North Manchuria, but prospects at Tientsin are less favorable for American flour due to a good wheat crop in that district, according to cabled reports from Agricultural Commissioner, P. O. Nyhus at Peiping and Consul General Gauss at Tientsin.

In Northern Manchuria in spite of reports of increased acreage and excellent conditions on August 1, nearly three weeks of rainy weather following that date, reduced prospects materially, as nearly half the grain was either uncut or still remaining in shocks in the field. Mr. Nyhus observed quantities of grain growing in shock in the fields on a trip on August 28 and believes that if this situation is general as the reports state, the yield might easily be reduced 25 per cent as well as materially reducing the quality of the crop. Wheat production in Northern Manchuria in 1929 was estimated at 26 to 40 million bushels. Mr. Nyhus states that contracts have recently been placed for September and October shipments

of American flour. Quotations on American flour about the middle of September were more favorable than on Canadian flour. An improvement in exchange values would help further to stimulate trade.

Tientsin flour mills are now operating full time and supplying the bulk of the local flour demand and reducing the demand for imported flour. The local demand for flour appears to have declined to less than half that of formerly, but part of this decrease is explained by the fact that interior towns which formerly obtained supplies from Tientsin are now able to supply their needs locally from a good domestic crop. Imports of flour are comparatively small and present market conditions do not indicate any increase in the demand although some business may be done later in the season, providing exchange rates are favorable, and if American quotations are more favorable than Canadian. At the present time American and Canadian flour are quoted at nearly the same prices, but due to its lower quality, Canadian flour must sell at about 50 cents per barrel below American. Arrivals at the port of Tientsin during August were estimated at 250,000 bags of which 200,000 bags were from Japan and 50,000 bags from Canada. The embargo by the Nanking government on the shipments of Shanghai flour to Tientsin appears to be quite effective as no deliveries are being made at the present. Prices declined during the month. American flour was quoted at \$1.12 per bag on August 30, Canadian and Japanese at \$1.04 and local flour at \$1.13 per bag compared with \$1.17, \$1.08, \$1.05 and \$1.17 per bag respectively, on July 31.

India

Wheat exports from Karachi, India during the present season to September 15 are estimated at 7,467,000 bushels and the present outlook is for a fair volume of exports during the remainder of the season, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from Consul General McFieoe at Karachi. Prices at Karachi are slightly above world parity and dealers up country are holding for still higher prices. Indian dealers are persistently bullish and any marked demand would cause them to raise prices. At the present time, however, there is practically no demand for wheat and very little business is being done but if the monsoon continues favorable, there ought to be added pressure to sell. Railroad authorities recently declined to reduce the freight rates on wheat. Stocks of wheat in Karachi are now estimated at approximately 4,000,000 bushels.

Europe

Weather unfavorable for harvest has reduced both the quantity and quality of the crop in several European countries. The British wheat crop in several European countries. The British wheat crop is small and light in weight. The general tendency of revisions of the estimates of Continental European crops during the past month has been downward. The

French crop is a very important factor in the European situation. Recently a private report placed the crop at about 208 million bushels. Mr. Dawson still believes the crop to be larger than this but poor in quality. The carryover of wheat from last year is large. The stock of old wheat will go a long way in making up for the poor quality of the new crop but the total supply for the season is likely to be considerably below domestic requirements. Mr. Dawson believes that the official estimates for Rumania and Yugoslavia are also too high. Private reports seem to confirm his opinion that the official estimate of the wheat crop of Yugoslavia is too high. As indicated above, it is believed that the European wheat crop outside of Russia is at least 100 million bushels less than that of the past season and it may turn out to be as much as 150 million bushels smaller than the previous crop.

Production of feed grains, barley, oats and corn, in countries reporting to date is estimated at 36,622,000 short tons, in comparison with 46,028,000 in 1929, a decrease of over 20 per cent. The production may be somewhat less than in 1928, but a little larger than in 1927. In the past season large quantities of feed grains at low prices stimulated the production of livestock in some of the North European countries, particularly Denmark, Holland and Germany. The result is more livestock to feed from smaller crops. Probably potatoes and rye will be fed to a greater extent than in the past season. The rye crop appears to be somewhat smaller than a year ago and the potato crop is short in some countries. The result is likely to be a greater consumption of wheat in Continental Europe outside of Russia both as food and feed.

The imports of European deficit countries in the past season fell to a low level, about 132 million bushels below those of the previous season. Reviewing the present indications of the crop and considering that stocks have been reduced, it appears likely that imports during the present season will again approach the total of the 1928-29 season. High tariff duties and other restrictions upon imports will tend to hold imports in check, especially in the early part of the season. Scarcity of domestic supplies probably will result in some relaxation of import restrictions before the end of the season. Revised estimates of production and the probable imports or exports of European countries are presented herewith.

WH-53 Table 18. - Wheat: Estimated deficit of the United Kingdom²⁵ and continental Europe, 1930-31

Country	: Actual : net : imports : 1928-29	: Preliminary : estimate of : actual net : imports : 1929-30	: Preliminary estimates : of deficit : 1930-31
	: 1,000 : bushels	: 1,000 : bushels	: Million : bushels
Germany	: 58,500	: 61,700	: 60-65
Italy	: 39,700	: 40,000	: 80-90
France	: 1/ 58,000	: 1/ 12,000	: 70-80
Belgium	: 41,400	: 42,600	: 40-45
Netherlands	: 23,800	: 30,200	: 30-32
Czechoslovakia	: 17,200	: 13,800	: 13-15
Switzerland	: 15,500	: 16,900	: 13-17
Greece	: 22,100	: 21,500	: 21-23
Austria	: 14,800	: 18,000	: 15-18
Denmark	: 17,000	: 7,800	: 9-11
Poland	: 3,800	: 0	: -
Sweden	: 7,500	: 7,300	: 5-7
Norway	: 8,500	: 7,100	: 7-8
Finland	: 6,100	: 5,600	: 5-6
Latvia	: 2,800	: 2,400	: 2-3
Estonia	: 1,200	: 1,200	: 1-2
Lithuania	: 2/	: 0	: -
Spain	: 18,400	: 4,400	: 5-10
Portugal	: 7,200	: 5,900	: 2-3
Total 19 countries	: 428,500	: 298,800	: 331-435
United Kingdom	: 204,000	: 201,900	: 200-210
Total 20 countries	: 632,500	: 500,700	: 531-645

Surplus of surplus countries

Country	: Net. : exports : 1928-29	: Preliminary : est. of net : exp. 1929-30	: Preliminary estimate : of surplus
	: 1,000 : bushels	: 1,000 : bushels	: Million : bushels
Hungary	: 23,700	: 31,400	: 16-20
Yugoslavia	: 7,900	: 23,500	: 7-12
Rumania	: 1,700	: 1,500	: 10-20
Bulgaria	: 800	: 0	: 2-5
Total 4 countries	: 34,100	: 56,400	: 35-57

Net deficit of United Kingdom and continental Europe

Country	: Impts. less : on. 1928-29	: Impts. less : on. 1929-30	: Deficit less surplus
	: 1,000 bush.	: 1,000 bush.	: Million bush.
Twenty deficit countries less 4 surplus countries	: 598,400	: 444,300	: 546-588

1/ 7,000,000 bu. added to 1928-29 and deducted from 1929-30 because of change in method of compiling foreign trade statistics. 2/ Less than 500,000 bushels.

Table 19.-Wheat: Production in Europe, average 1925-1929, annual 1929 and preliminary estimates for 1930

Country	Average :		Estimates for 1930 ^{1/}	
	1925- :	1929 :	July 28 :	Sept. 4 :
	1929 :	1929 :	July 28 :	Sept. 4 :
	bushels :	bushels :	bushels :	bushels :
England and Wales	49,459:	47,451:	43,456 :	43,456
Scotland	2,203:	2,165:	(2,200) :	(2,200)
Northern Ireland	173:	142:	(150) :	(150)
Irish Free State	1,139:	1,184:	(1,180) :	(1,180)
Germany	119,766:	123,073:	(132,000) :	131,174
Italy	229,334:	260,774:	(209,000) :	213,111
France	232,247:	341,713:	(231,000) : ^{2/}	(239,000)
Belgium	14,799:	13,225:	(16,000) :	16,094
Netherlands	6,038:	5,467:	(6,000) :	4,887
Czechoslovakia	45,009:	52,902:	(51,000) :	53,034
Switzerland	4,388:	5,791:	(6,000) :	5,337
Greece	11,636:	8,502:	(13,000) :	(12,700)
Austria.....	11,313:	11,582:	11,464 :	11,942
Denmark	10,382:	11,772:	(11,800) :	(11,000)
Poland	60,508:	65,862:	(62,000) :	67,240
Sweden	15,803:	19,031:	(18,000) :	22,046
Norway	642:	729:	(700) :	(700)
Finland	1,002:	1,005:	1,139 :	1,189
Latvia	2,299:	2,336:	(2,400) :	3,674
Estonia	1,004:	1,268:	(1,100) :	(1,500)
Lithuania	6,079:	9,329:	(7,000) :	10,619
Spain	145,629:	154,244:	(147,000) :	145,099
Portugal	10,128:	10,600:	(10,000) :	13,154
Total 23 deficit countries	1,040,985:	1,150,237:	934,000 :	1,010,546
Rumania	105,551:	99,752:	(118,000) :	(114,000)
Yugoslavia	80,987:	94,999:	(77,000) :	(77,000)
Hungary	79,542:	74,085:	(77,000) :	70,621
Bulgaria	40,474:	33,192:	(48,000) :	(48,000)
Total 4 surplus countries	306,554:	302,028:	520,000 :	309,621
Total 27 countries	1,347,539:	1,452,265:	1,304,000 :	1,320,167

^{1/} Figures in parenthesis are production estimates of Assistant Agricultural Commissioner, Dawson. Others are official estimates. Official estimates received to date but not included in this table are: Bulgaria 53,700,000 bushels, Rumania 124,927,000 and Yugoslavia 33,705,000 bushels. Mr. Dawson believes that the official estimates of these countries are too high. ^{2/} It is believed that the quality of this year's crop is so poor that 239,000,000 bushels would mean only about 213,000,000 bushels compared with a harvest of 341,713,000 bushels of good quality wheat in 1929.

The Continental European wheat market situation during August. 1/

Continental wheat markets during the month of August were influenced chiefly by grain crop developments and the harvest outturn for broad grains in various countries and the early market crop movements. The first part of the month registered upward price movements chiefly due to reports of the greatly reduced corn crop in America and unfavorable harvesting weather in Europe, with reduced quality of broad grains resulting. Later on, with improved weather for saving the European grain crops still in the field and continued important Russian offers of good quality wheat, optimism on the general wheat price situation became weaker.

Although the market is still hesitant until the world situation becomes clearer, the basic situation appears to be stronger than at the beginning of the month. Crop prospects both for wheat and other important grain crops in Europe showed further declines in August, with threshing results giving stronger evidence of poor quality, compared with a year ago in important countries. The chief exceptions to poorer quality wheat compared with a year ago appear in parts of the Danube Basin. Rye is turning out poorer than expected both in quantity and in quality. Spring grain crops in important central sections, especially oats, were unfavorably affected by the drought and later by poor harvesting weather, with the result that returns are materially below a year ago.

The European wheat crop, outside of Russia, is now indicated at about 140,000,000 bushels below last year's harvest and on the whole is of poorer quality and stocks are also below last year. Russia's crop of wheat, however, as near as can be calculated so early in the season, promises to be materially above last year and, judging from the now wheat threshed to date, the quality seems to be very good. While Russian exports will be considerably larger than a year ago, nevertheless, the deficit in Continental Europe outside of Russia is so much larger than a year ago, that greater amounts from overseas countries are needed. Government restrictions and regulations in important importing countries, however, will reduce probable takings in comparison with the deficit indicated by the crop and reduced stocks.

Interest in the continental wheat market will be somewhat reluctant until important factors in the world situation, such as the effect of the deficit in the United States corn crop on its wheat requirements and, above all, the probable exports of Russia, which have begun in important volume, are better known. The cautious buying policy again evident this year is due in a large measure to the general economic situation and will be an important factor in wheat market developments this season.

Feed grain markets

European markets for feed grains under the influence of the unfavorable corn crop reports from the United States, were strongly upward and

1/ By Assistant Agricultural Commissioner Owen L. Dawson, Berlin, Germany, September 4, 1930.

active during the early part of August. Reports on a reduced outturn of southeastern European corn crops, as well as damage to the feed grain crops over most of Europe through very unfavorable harvesting weather further influenced the upward price movements. Later, however, a downward reaction in prices occurred with a complete abstinence of European buyers for feed grains, because of the break in the American rise which then was generally considered exaggerated and speculative by the feed grain trade on the Continent. Later improved harvesting weather in Argentina and increased Argentine corn shipments weakened the market for corn and also barley, the latter having been all the time in close sympathy with developments in corn. In the latter part of the month, price declines were pretty general on all feed grain markets, partly as a result of some price pressure from declining wheat prices.

The outlook for feed grain is somewhat improved compared with last month, because of the really important deterioration of crop prospects and crop returns both in America and Europe through heat and unfavorable harvesting weather. The chief factors affecting imports from overseas in the immediate future will be: (1) the progress of Russia in exporting wheat, (2) weather conditions affecting the completion of harvest of bread grains, (3) the outturn of the spring feed grain crops, (4) weather conditions affecting the late development of the corn crop, (5) government regulations affecting the importation and milling of foreign wheat, and (6) grain crop developments overseas.

Germany

The German market for wheat and wheat flour proved quite active over most of August with calmness prevailing toward the end of the month. Offerings of new wheat became more important and resulted, at the beginning of the month, in a considerable price decline because of slackening demand on the part of flour mills and traders. However, with the raise of the milling percentage from 40 to 60 per cent on August 15 for the period August 15 to September 30, 1930, prices increased along with a rather important increase in domestic wheat trading. Later, declining tendencies again prevailed. The market for foreign wheat also revived during the month, but import purchases are said to have remained restricted, and the hand-to-mouth policy continued to prevail.

The rye situation continued difficult also through August, with considerable activity of the supporting companies (Deutsche Getreide-handelsgesellschaft and Getreide-Industrie & Commissions-A.G.) to sustain prices because of a rather pressing offering of rye early in the month. Later, the situation improved greatly because of the reduced crop outlook and the development of a more optimistic view than prevailed heretofore, with respect to the 1930-31 rye campaign. Offerings decreased markedly. A new credit of \$14,292,000 for the Deutsche Getreidehandelsgesellschaft from which \$7,146,000 were available after paying back an old credit, added to the firmness of the market which showed a considerable price increase and a narrowing of the rye-wheat spread.

Table 20. - Germany: Price per bushel of domestic wheat and rye,
July 9 - September 10, 1930

Date	Wheat			Rye
	Hamburg 1/	Breslau 2/	Berlin 3/	Berlin 4/
	Cents	Cents	Cents	Cents
July 9	203	180	-	106
16	193	183	-	106
23	202	183	-	103
30	200	162	-	97
Aug. 6	178	156	157	96
13	172	159	160	97
20	173	164	165	101
27	170	161	157	108
Sept. 3	165	158	162	113
10	159	156	161	113

1/ Wheat of any German district of at least 58.7 pounds per Winchester bushel.

2/ Wheat of any German district of at least 58.7 pounds per Winchester bushel in carloads of 370 bushels.

3/ "Markischer" wheat of 58-59 pounds per Winchester bushel.

4/ "Markischer" rye of at least 54-55 pounds per Winchester bushel.

Net imports of wheat during July amounted to 3,307,000 bushels compared with 3,319,000 in June, 1930 and 16,296,000 in July 1929 (the latter figure is, however, abnormal because of the heavy importing in anticipation of a tariff increase). Stocks of old crop and foreign wheat continued small. Port stocks at Hamburg and Bremen, as well as Berlin stocks are low. Farm stock figures as of July 15 are not collected and therefore not available; the next inquiry on stocks will be as of August 1 and will be published early in September.

No further government measures were taken in August. It is said that the bread-law raising the percentage of rye flour required in rye bread and setting a lower milling percentage for rye mentioned in our last report and in effect since August 15, had something to do with the firmness of the rye market during the second half of August. While no actual measures have been taken, the government has been active in advocating a reduction in rye acreage in favor of wheat chiefly. An inquiry made by the German Agricultural Council as to planting intentions of advanced farmers indicated a considerable decrease of rye acreage in favor of wheat for autumn 1930 sowings.

The latest official crop estimate as of early August 1930 indicates the following crop production in Germany:

Grain	1929	1930
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
Rye	321,045	297,345
Wheat	123,073	129,630
Barley	146,089	121,575
Oats	508,633	376,849

Very bad harvesting weather was experienced in August and considerable grain was still in the field. Some deterioration has doubtless taken place, chiefly in quality. The spring crops were mostly affected. It is possible, however, that the official wheat crop estimate has been reduced too far. That the quality is expected to be poorer than last year is indicated by the fact that the weight per winchester bushel of wheat and rye deliverable on the Berlin produce exchange against spot purchases were reduced for 1930-31 to 58-59 pounds (from 58-60) in the case of wheat, and to 54-55 pounds (from 56) in the case of rye.

France

Restricted turnover was evident in the French markets over most of August, because of reduced offers during the first half of the month and the small milling percentage of 10 per cent for foreign wheat existing at present. Very poor harvesting weather and therefore very unfavorable prospects for the final outturn of the crop held domestic offers at a minimum, and prices advanced during the first half of the month. Later, the

weather improved considerably, offerings increased rapidly and a general decline in prices was the result.

Personal investigation of the French wheat crop and a review of the latest private estimates now indicates a crop of about 239,000,000 bushels, but of such poor quality that if it were to be compared with last year's harvest of 341,713,000 bushels of good quality wheat, a figure of about 213,000,000 to 220,000,000 bushels would be more comparable. However, stocks of good quality wheat from the old crop much heavier than normal reduce the deficit to some extent so that it appears France can get along with about 66,000,000 to 81,000,000 bushels of imports for this season. An increase in the milling per cent from 10 to possibly 30 percent seems necessary. With 10 percent now in force, a considerably smaller proportion can actually be milled because of the practice of certain mills handling little or no foreign wheat. Regarding durum wheat a large proportion of France's needs will come from Africa, altho some increased requirements from America are expected. The crop in North Africa is smaller than last year, but the carryover was of some importance in the exportable surplus this season.

Italy

Following rather quiet markets, there has been registered some demand for Russian and Danubian wheat during the second half of August, while the sale of North-American wheat was slow.

Crop reports of the government indicate a wheat harvest of 213,111,000 bushels. The summer has been quite favorable to corn and the condition was considered above average, but recently too much wet weather has been unfavorable. In view of early acreage reports the crop prospect appears to be below the large crop harvested last year.

Agricultural, as well as financial, circles were recently affected by the bankruptcy of the largest Italian company for agricultural enterprise, irrigation, livestock breeding, and land melioration. The government has taken steps to secure financial assistance to relieve the situation.

Belgium and Holland

The first ten days of the month of August was a period of considerable activity on the wheat and flour markets. Prices advanced in sympathy with overseas quotations and the whole tendency was under the influence of current unfavorable weather developments in North America. Business was particularly active with respect to Russian wheat which was offered in excellent quality of high gluten content, and sales were effected up the Rhine to Germany and other countries. Dutch flour mills also showed active purchasing interest. Trading became quieter and was very dull, however, following the recession in overseas markets and at times at a complete standstill during the second half of the month.

Port stocks at Antwerp decreased considerably from July 15 to August 15, while Rotterdam port stocks also remained low. Harvesting weather was generally very unfavorable and the crop outlook, especially in Holland, was greatly reduced as compared with estimates early in the month.

Danube Basin

Wheat markets in Danubian deficit as well as surplus countries quite generally exhibited considerable activity and a good current of business during the first ten days of August under stimulus from overseas market developments. However, business became very quiet later and toward the end of the month showed extreme dullness. Prices which had risen somewhat early in August because of the overseas rise decreased considerably.

Recently business in Hungarian wheat was somewhat impaired by arrivals of wheat with exceptionally low gluten content and it is thought that this is indicative of a quality much less satisfactory than previously expected.

Crop results in Austria and Czechoslovakia are quite good, though the harvesting weather was very bad and some damage not as yet recorded will appear in later figures. The wheat harvest in Hungary, Yugoslavia and Rumania still seems about on the levels previously reported - with some reduction in parts of Rumania. Corn crop prospects have declined considerably since early in the season and now appear fully a third less than last year. The carryover as a whole will partially offset the decline in production compared with last year. The reduced prospect for corn was an important factor in early August wheat market developments.

Date	: Hungarian wheat :	Date	: Viennese Boden wheat
	: Cents per bushel:		: Cents per bushel
July 24	95.3	: July 31	107.2
July 31	92.6	: Aug. 6	106.3
Aug. 7	95.2	: Aug. 15	107.2
Aug. 18	85.2	: Aug. 27	101.5
Aug. 27	80.2	: Aug. 30	97.6
Aug. 30	77.4	: Sept. 2	96.6
Sept. 11	75.7	: Sept. 12	95.7

Activity with respect to agrarian measures continued in the Danube countries. Czechoslovakia raised the grain supplement duties effective August 26, however, not in force toward most-favored nations because of a trade treaty with Hungary expiring December 15, 1930. A decline in the rye area as a result of propaganda is also expected in Czechoslovakia. Austria will distribute premiums or direct support to agriculture to the extent of \$13,507,200 this year, of which \$4,221,000 is for the purpose of abolishing the land tax, \$844,200 will be given to flour mills, \$1,125,600 to the mountain farmers for the improvement of cattle breeding and \$7,316,400 will be distributed as seeding premiums for grain areas. The introduction of a grain monopoly has been given further consideration.

On the other hand, the surplus countries have also been quite active. Recent movements toward agrarian cooperation in southeastern and eastern European countries are quite significant. During July, Yugoslavia, Rumania and Hungary held a conference at Bucharest which aimed at a joint reply of these countries to the memorandum of the League of Nations on the world crisis of agriculture. This reply was the recommendation for abolishing the most-favored-nation system for agricultural products - a one-sided suggestion, naturally of little practical interest. Much more important was a second conference held at Sinaia, between Rumania and Yugoslavia only. These two agrarian countries alone have, of course, been able to work out much more practical suggestions than in cooperation with Hungary, which is more industrialized and consequently must take into consideration industrial demands to a greater extent than the two former countries. The Sinaia conference ended with the resolution that Yugoslavia and Rumania should very closely cooperate in agricultural exports, should try to arrive at a duty union as quickly and as completely as possible in order to make a joint foreign trade policy with especial regard to exports of agricultural products to Central European industrial countries. Some system is planned whereby preferential trade treatment of Danubian agricultural products in European industrial markets, and of European industrial products in Danubian markets can be effected. It is understandable that agreements in foreign trade policy by a block of more than 30 million customers commands the attention of exporters in Central Europe much more actively than suggestions of either Yugoslavia or Rumania alone. Plans for an introduction of the grain monopoly in Austria a system that would enable preference of Danubian products within the frame of traditional trade customs doubtless show the reaction in Central Europe toward those suggestions. These movements toward cooperation are significant in view of the important interests of Central European industries in the agrarian Southeast.

A third conference held at Warsaw upon Poland's invitation, involving Poland, the Balkan countries, the Baltic countries and Hungary, as well as Czechoslovakia, is considered an action more political in nature, or possibly some action to counteract the rather effective plans of Sinaia. The work of this conference consisted chiefly of drawing up recommendations to the respective governments. It is obvious that so many countries with so many-sided interests cannot so easily be united in a uniform policy as is possible in the case of Rumania and Yugoslavia alone, who have more uniform interests. Some of the recommendations of the conference at Warsaw are: Statistical methods for the collection of agricultural export figures should be made uniform,

export premiums should be abolished through an international convention, a project for an intermediate credit system should be worked out, the most-favored-nation clause for European agricultural products should be replaced by a preferential clause; the agrarian conference shall be a permanent institution with yearly meetings.

These recommendations do not appear of especial importance so far as actual results are concerned at present. Those which can be realized will be of little help to agriculture; the others can hardly be realized, as a one-sided preferential system for European agricultural products will meet with no interest whatever in European industrial countries, and appears quite impossible.

Among all these movements toward agrarian cooperation, the conference at Sinia is considered the most important and will need the most careful watching.

Soviet Russia

Shipments

Shipments of Russian grain through the South Russian ports have been rather significant during the past weeks, with wheat predominating considerably at most times. Total shipments of the five main crops since the beginning of the new campaign (July 1, 1930) to August 27 amounted to 351,000 short tons compared with no shipments at the same time a year ago. August shipments of wheat ^{1/} were larger than during any of the preceding months having amounted to 187,000 tons as compared with only 26,000 tons shipped during July and 32,000 tons exported in May.

Total shipments through the South Russian ports for the agricultural season 1929-30 ^{2/} and July and August 1930 were as follows:

Grain	1929-30	July - August 1930
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
Wheat	5,658	7,128
Barley	29,027	4,317
Rye	3,149	669
Oats	1,171	689
Corn	984	118

Foreign reports indicate that considerable tonnage has been booked by the Soviets for September and October, so it appears that exports will continue on the same rather high level, or may even increase, in the weeks to come.

^{1/} Including shipments up to August 27 - the latest date available.

^{2/} July 1, 1929 to June 30, 1930.

The 1930 crop

No estimates of the 1930 Russian grain crop have as yet appeared in the Soviet press and it is also interesting to note that the usual crop condition figures in per cent of "normal" have not been published this year, but a crop about average or better on an acreage larger than last year is expected. Some deterioration in crop conditions took place toward the end of July and the first half of August due to hot dry weather in the southeastern section of European Russia. This deterioration, however, falls chiefly to the share of late spring and track crops, the development of which was influenced unfavorably by the drought and partly by dry winds prevailing during the first half of August particularly in North Caucasus but also in Lower Volga, Western Kazakhstan and parts of Ukraine. Untimely ripening of the late spring crops and noticeable deterioration of their condition is reported from these regions.

Although harvesting was delayed in North Caucasus and Ukraine, it was completed under favorable conditions in the whole of the southern and southeastern section of the Union, Western Ukraine being about the only exception. Harvesting developed under less favorable conditions in the central consuming regions, which are rather important producers of winter rye, so that some deterioration in that crop has probably resulted.

Reports at the beginning of August indicated that the quality of the grain was generally good, with moisture content being only somewhat below last year's exceptionally dry levels. However, delayed threshing, continually complained of by the Soviet press, as well as considerable storing difficulties, will probably be reflected in the late threshing results and in the quality of the grain.

The wheat crop outlook is about as previously reported, barring some deterioration due to rains in Western Ukraine during the first days of August. Siberia is about the only region where early spring crops are still in the stage of maturing, and official and local reports continue to indicate average and above average conditions there. Some rains during the second ten days of August excepted, which have been not quite favorable to the ripening crops, favorable weather prevailed during most of the time in Siberia, so that the present favorable crop outlook for spring wheat there may offset the less satisfactory conditions in Kazakhstan and Tartar Republic. It should be noted, however, that a considerable share of the Siberian spring wheat acreage had been sown very late this year, so that considerable risk of damage from early frosts still exists.

On basis of present conditions and information at hand, it seems that the 1930 crop of wheat for the Union as a whole will be materially above last year but crop reports are still too indefinite to permit an exact estimate. An increase in the rye production also seems probable due to the increased acreage. Developments in the Russian financial situation throughout the year will be extremely important in determining exports.

The grain procuring campaign

The 1930-31 grain procuring campaign began in July, but the procuring operations were considerably below the plan both in July and August. The Soviet press is showing signs of alarm because of this slow development of the campaign, which - it is emphasized - is one of greatest importance. It should be remembered, however, that procurings are running at a higher level than last year, so that the falling back of procurings from Government plans is due to the fact that this year's plans are raised considerably as compared with a year ago.

Autumn sowing campaign

Autumn sowing has started around the middle of August in the northern regions, but its progress was somewhat hampered by dryness prevailing in Bashkirie and Middle Volga during the second ten days of the month as well as by excessive rains in the Leningrad region. Dry weather during the last ten days of August also impeded sowing in the southeastern section of the Middle Volga and in the lower Volga region as well as in southern Nijni-Novgorod.

The autumn sowing plan for all winter grain is fixed at 106,000,000 acres for the Union as a whole, of which 30.6 million acres fall to the share of winter wheat. While the total increase of autumn sown acreage is to amount to 9.6 per cent for the Union as a whole, the plan provides for an increase of 12.3 per cent in Ukraine. Ukraine's nearness to export ports was probably an important factor in determining the above mentioned large increase there.

Up to September 1 16.6 million acres were sown, being 38.5 per cent of the plan for the regions where sowing had begun. An additional 425,000 acres were sown in the Ukraine and the eastern regions. The press is already beginning to complain of the slow development of sowing and anxiety is being expressed because the optimum dates of sowing are about to expire in some of the northern regions.

Probable effects of the new import certificate values in Germany on trade and prices of the commodities concerned 1/

Generally speaking, the import certificate system, particularly during 1930, has lost much of its original character as a device for equalizing price levels and making the tariff more effective in relatively remote parts of the country by allowing exports from behind tariff walls to natural markets outside.

It is now being used, in conjunction with an array of new regulatory measures, such as the milling law, the bread law, corn monopoly, etc., as a device for controlling or influencing domestic commodity markets through manipulation of imports and exports of these and related products. The system has now become a farm relief measure pure and simple.

1/ Report from Agricultural Commissioner L. V. Steere of Berlin, Germany-August 29, 1930.

The reduction of import certificate values for given products has the general effect of decreased inducement to export, particularly when a high import duty prevails for such products and is made effective by imports. The valuation of import certificates below the effective duty for the same product also discourages exports unless the domestic market is depressed relative to world price levels. The reduction of certificate values or a condition of low value of the certificate in relation to the duty, therefore, usually tends to make for lower prices of a given product.

The raising of import certificate values or maintenance of a high value in relation to the effective duty has the general effect of encouraging exports and, therefore, of raising the internal price level. Increases in the value of the certificate are particularly effective in stimulating exports when the domestic market is low.

Recent increases in German bran exports to the United States are probably due in no way to the effects of the import certificate system, as bran is not among the products included in the system. The increase in exports is probably due to a rye bran production in Germany somewhat in excess of the ability of the market to absorb under conditions recently prevailing. It does not seem likely that really important exports of bran to the United States are in prospect.

The effects of the German import certificate system 1/

Wheat

The large increases in German duty on wheat since the first of the year without alteration of the values of the import certificates has had the effect of removing practically all incentive for wheat exports. Some exports have occurred, but these have probably consisted of poor quality grain whose market value was somewhat in line with world prices. With an import duty of 97.24 cents per bushel and the value of the import certificate fixed at only 42.14 cents the same time that the country is importing considerable wheat, domestic price levels are forced sufficiently above world levels so that the deficit areas within Germany offer prices attractive enough to offset the lower cost of transportation between portions of Germany, such as East Prussia and certain natural foreign markets, such as the Scandinavian countries. The relatively high domestic price level tends to make for sale of wheat at home instead of abroad, though some exports of low qualities may still be possible.

In the case of wheat, however, the import certificate system has practically lost its significance as a result of the enactment of the milling regulations calling for the milling of a certain prescribed percentage of domestic wheat of all mills. This regulation has overshadowed practically all other price making factors in Germany since its enactment, although its success, of course, to an important extent is the result of the higher tariffs. It is entirely possible that rigid enforcement of the milling obligation, i.e., the retention of a high milling percentage throughout the important months of the season, would entirely nullify the import certificate system as far as wheat is concerned.

1/ Report from Agricultural Commissioner L.V. Steere of Berlin, Germany, August 29, 1930.

The problem of Russian wheat exports 1/

For more than a decade Russia has been an uncertain factor in the world wheat situation. A definite forecast with regard to the future of Soviet Russia in the world wheat trade is extremely difficult at this juncture. Nevertheless, it may be worthwhile to survey the wheat situation in that country as the basis for judging possibilities of future production and exports.

During the past five years, Russian wheat production appears to have been somewhat above pre-war for the present territory of Soviet Russia but the increased production has not been equal to the increase in consumption. Production in the period 1925-1929 averaged 5 per cent above pre-war but in the meantime population had increased about 8 per cent. Furthermore, per capita consumption of wheat has increased in recent years. Urban per capita wheat consumption increased by 47 per cent between the years 1923-24 and 1926-27 before the advent of whole-sale rationing and rural consumption increased 67 per cent. This increase in per capita consumption apparently has been due in part to replacing rye with wheat. The urban and rural consumption of rye declined by 54 and 18 per cent respectively during the same period. Population is continuing to increase at a fairly rapid rate and a further replacement of rye by wheat in the absence of rationing may be expected along with improvement in living conditions.

Producers of wheat have greatly increased consumption and one result of the increase in consumption has been a great reduction in the amount of wheat appearing in commercial channels.

The government procurements of wheat for the domestic deficit areas and for export purposes during the period 1925-1929 amounted to only about 10 per cent of pre-war exports.

Increase in consumption and inefficient distribution has prevented Soviet Russia from resuming the role of a large exporter of wheat. In fact, the production of 1928 was not sufficient for domestic requirements and the government experienced serious difficulties with the domestic bread supply which led to the rationing of the breadstuffs supply.

Before the late war wheat was a very important factor in Russian foreign trade. In the absence of long time foreign credits or other large physical exports resumption of wheat exports is a matter of first importance to Soviet Russia. It is essential to the development of the Soviet program for the extensive industrialization of Russia.

1/ This is a brief summary of a study by L. Volin which will be published in full at some later date.

The Soviet government has a monopoly of all foreign trade and practically a monopoly of the domestic grain trade. As a consequence, the government possesses the initiative in the matter of wheat exports. The objectives of the Soviet government in exporting are somewhat different from those of private grain traders. Availability of foreign exchange is a serious problem for the Soviet government, and the need of exchange encourages the government to export even at low prices which might be unprofitable for private producers and exporters.

In the face of a tendency to increase the domestic consumption, the Soviet government can obtain a surplus for export only by rationing or increasing production, or by both. A permanent rationing policy that would curtail consumption sufficiently to provide large exports appears to be quite impracticable even in Soviet Russia.

The physical possibilities for expansion of wheat production in Russia are apparently large. Even a small increase in the average yield, which at present is a little over 11 bushels per acre and is among the lowest in Europe, would on an area exceeding 70 million acres make for a substantial increase in the output. Finally, with the improvement of transportation facilities, there is a possibility of the extension of acreage in new sparsely settled regions. Completion of the Turkestan-Siberian Railroad for instance, traversing Kazakhstan with its more than 60 million acres of grass land, will facilitate the process of bringing new land under the plow. Some of these lands which may have been formerly considered ill adapted for growing wheat under the condition of small-scale peasant cultivation may be suitable for the crop under large-scale lower-cost methods which are being introduced by the Soviet government into Russian agriculture.

The basic obstacles to the expansion of wheat production, especially commercial production during the post-war period lie in the inefficiency and economic self-sufficiency of the prevailing petty peasant farming, aggravated by certain aspects of the Soviet economic policy which tended to arrest the normal economic evolution of Russian agriculture on individualistic lines, although it might have alleviated the grain crisis. The agrarian revolution of 1917-18, which led to the break-up of large estates and farms, gave a strong impetus to the growth of small peasant farming. The number of holdings increased from some 19 million on the eve of the war to about 26 million in 1929 when Russian small-scale peasant cultivators began to be seriously challenged by the rising tide of collective farming. The significance of the change in the form of agricultural exploitation from the standpoint of wheat exports consists in the fact that the smaller, less efficient, poorly supplied with livestock and equipment and more self-sufficient peasant units of the post-war period were not in a position to replace the considerable share of the exportable surplus which used to be contributed in the pre-war period by the larger holdings.

The tendency towards self-sufficiency, strong in any case among small peasant farmers, was accentuated by the disparity between agricultural prices and prices of manufactured goods. This phenomenon, accompanied by frequent shortages and poor quality industrial goods, diminished the purchasing power of the peasants and offered little incentive for them to produce for the market. As a result they found it more advantageous to concentrate on the raising of commercially less important crops such as rye, for instance, than on cash crops like wheat. As a matter of fact, the 1925-1929 rye acreage was 12 per cent above 1909-1913, while the 1925-1929 wheat acreage was 2 per cent below 1909-1913.

The central feature of the price disparity in Soviet Russia has been its intimate relation to the economic policy of the Soviet government. The latter largely determines through its pervasive control of practically all phases of Russian economic life and its price-fixing activities the terms of exchange and price relations of agriculture and manufacturing industry. It is, of course, instrumental in adopting the policy of industrialization embodied in the now celebrated "five-year plan". Such a policy of accelerated industrial development, with its emphasis on the nurture of so-called heavy industries producing capital goods and the rigid protectionism which it implies, necessarily involves, at least during the initial states, a certain disparity between agriculture and manufacturing industry. Only in this way can sufficient capital be secured for industrial expansion in a predominantly agricultural country like Russia without the aid of foreign borrowing. While increased efficiency of the manufacturing industry and of the distributive system may diminish the spread in prices and shortages of goods it can hardly be expected that they will be completely eliminated within the next few years.

Even more directly has the Soviet government blocked the path of economic advancement of individual peasants and consequently a possible avenue to an increased commercial output by its oppressive policy towards the more prosperous peasants, known as "Kulaki". This attitude was dictated by fear that an untrammelled economic development of the more prosperous strata of the peasantry would lead to the restoration of capitalism in Soviet Russia. The Soviet authorities have been engaged in a tug of war with the "Kulaki" for a number of years past, but during the last two years its anti-"Kulaki" policy became stiffened and the struggle assumed a more intense character. It reached its culminating phase last winter when a widespread and ruthless campaign was waged for a wholesale liquidation of the Kulaki, i.e., their complete economic annihilation.

To offset the unfavorable consequences of the grain crisis described above, the Soviet Government has put forward its own scheme of far-reaching agricultural reorganization which is embodied in the proposals for the collectivization and industrialization or mechanization of Russian agriculture, purged of the "Kulaki" and all traces of capitalistic development, a program known as that of the so-called "socialist reconstruction" of farming. In fact if high prices, shortage of manufactured goods, and the struggle with the Kulaki are the negative aspects of the Soviet economic policy of accelerated industrial development and class struggle in the village, then it may be said that the twin principles of collectivization and industrialization of agriculture are the positive aspects of the policy. It is aimed by the Soviet government to reorganize Russian agriculture on a large-scale collectivist basis, to replace the horse by the tractor as a source of power on the farm, to introduce more modern methods of cultivation and equipment, and ultimately to do away entirely with the prevailing system of petty peasant farming. In this manner it is hoped to increase the efficiency of farming, and at the same time gain control over agricultural production similar to that exercised by the Soviet state over manufacturing and mining industries and other branches of the so-called "planned economy".

To gain this objective, the Soviet government has striven on the one hand to introduce tractors and increase the amount of agricultural machinery of various kinds on farms and on the other hand it has pushed energetically, even ruthlessly, its program of agricultural collectivization. The number of tractors on farms in Soviet Russia increased from some 2,600 on October 1, 1924 to 34,000 on October 1, 1929. Since that date more than 20,000 tractors have been purchased in the United States and shipped to U.S.S.R. A new tractor factory was recently constructed at Stalingrad on the River Volga, construction of another tractor plant was started in Cheliabinsk, Siberia, and it was decided to speed up the construction of a similar plant in Kharkov with a capacity of 50,000 tractors per year. By concentrating the tractors in large units under a single management it is possible to serve a larger area, but the utilization of tractors in many cases is inefficient.

In the sparsely settled regions, where uncultivated land is available, the Soviet government has proceeded since 1926 with the organization of large grain tractor farms, owned and operated entirely by the Soviet state. There are at present 130 such farms and the area cultivated in 1929-30 exceeded 2,500,000 acres devoted largely to spring wheat. The program for 1930-31 calls for the organization of 80-85 new farms of this type, and the increase of the cultivated area to about 11 million acres. At the same time the Soviet authorities have pushed a campaign for combining small peasant units which predominated in Russian agriculture into greater collective farms. The speed with which this campaign was carried on can be judged from the fact that while in 1929 approximately only about 4 per cent of all the peasant households were combined into collective farms, with variations which were considerable from region to region, it was officially reported that on March 1, 1930 more than one-half of the peasant households have joined the collective farms. In some regions the number of collectivized peasant households reached 80 per cent.

This speedy wholesale collectivization of peasant farming is not a healthy growth. A great deal of the success achieved was on paper only; was not accompanied by proper organization and was frequently accomplished by coercive methods which provoked serious discontent among the peasantry. To avoid disaster the Soviet Government took measures on the eve of the spring sowing campaign to slow up the pace of the collectivization and to correct the numerous excesses committed in the course of the drive during the fall and winter of 1929-30. Since then the collectivization movement suffered a setback, due to the numerous recessions of peasants from the collective farms. Although the number of peasant households in collective farms has declined substantially from the high water mark reached during the early spring, especially in the new regions of collectivization, nevertheless, a considerable advance has been made in the collectivization of Russian peasant farming, as can be seen from the fact that collective farms accounted for about 40 per cent of the area sown to all crops this spring as against less than 4 per cent in 1929.

This review indicates the controlling importance of the Soviet state in the Russian wheat situation, because of the effect which its policies have on both the production and marketing of wheat. In general it is still too early to say what will be the outcome of the efforts of the Soviet government to develop collective and state farming on a large scale as a cornerstone of its agrarian policy. It is a question of its ability to build up an efficient farm and marketing organization and to provide, in the face of a probable low level of world wheat prices, adequate economic incentives for the utilization of the abundant natural resources for commercial wheat production which are at its disposal. In the last analysis the prospects of Russia becoming once more a large surplus wheat producer and exporter, operating on the world market not sporadically but continuously, depend largely upon the success of the agricultural policy of the Soviet government.

The tremendous magnitude of the task of farm and marketing organization and management undertaken by the Soviet state under conditions of a bitter internecine struggle in the Russian village, the novelty of the experiment, the increasing domestic consumption of wheat, the need of providing out of domestic resources large capital expenditures both for agricultural rationalization and for industrial development and finally, the adverse fact of low world wheat prices all combine to make the resumption of wheat exports on a large scale a very difficult problem.

Table 21. - Wheat including flour: Exports from principal exporting countries, June, July and August 1929 and 1930

Country:	June		July		August	
	1929	1930	1929	1930	1929	1930
	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels
United States.....	9,003	12,483	13,784	16,377	17,538	18,226
Canada	29,794	21,579	20,779	22,833	13,051	16,889
Argentina	25,391	2/10,288	14,463	2/4,892	25,292	3,812
British India	499	2/1,448	575	2/2,448	766	1,830
Australia	6,975	2/4,296	4,346	2/6,324	5,264	4,812
Russia 2/	0	1,064	0	896	0	6,232
Danube &						
Bulgaria 2/	32	464	456	408	504	1,368
Total	71,694	51,722	54,403	47,854	62,217	53,219

Compiled from official and trade sources.

1/ Shipments from Port William, Port Arthur, Vancouver and Prince Rupert.

2/ Preliminary.

Table 22. - United States: Imports and exports of wheat including flour

Item	July 1, 1929 to Aug. 31, 1929		July 1, 1930 to Aug. 30, 1930	
	1,000 bushels		1,000 bushels	
EXPORTS:				
Wheat	20,785		27,237	
Flour in terms of wheat	10,331		8,938	
Total	31,116		36,275	
IMPORTS: (JULY ONLY)				
Wheat	1,236		1,336	
Flour in terms of wheat	1/		1/	
Total	1,236		1,336	
NET EXPORTS:				
Wheat	19,549		25,901	
Flour in terms of wheat	10,331		8,938	
Total	29,880		34,839	

1/ Less than 500 bushels.

Table 23. - United States: Exports of wheat and wheat including flour, by weeks 1929 and 1930

Week ended	Wheat		Wheat flour		Wheat including flour	
	1929	1930	1929	1930	1929	1930
	<u>bushels</u>	<u>bushels</u>	<u>barrels</u>	<u>barrels</u>	<u>bushels</u>	<u>bushels</u>
June 7	939	1,031	175	131	1,761	1,647
14	1,570	1,603	212	130	2,566	2,214
21	594	1,619	138	146	1,243	2,305
28	1,031	1,828	248	212	2,197	2,824
July 5	1,202	1,541	105	131	1,696	2,157
12	839	825	243	111	1,981	1,347
19	1,551	3,962	180	209	2,397	4,944
26	3,558	2,782	290	175	4,921	3,604
Aug. 2	1,762	3,827	151	228	2,472	4,899
Aug. 9	2,678	1,888	144	145	3,355	2,570
16	3,885	2,704	210	242	4,872	3,841
23	4,493	3,104	187	295	5,372	4,490
30	5,004	6,361	186	205	5,878	7,325
Sept. 6	2,858	3,386	154	125	3,582	3,974
13	3,485	2,451	217	303	4,505	3,875

Compiled from weekly report of the Department of Commerce.

Table 24. - Wheat including flour: Shipments from principal exporting regions, specified dates, 1929 and 1930

Date	Argentina		Australia		Danube		North America	
	1929	1930	1929	1930	1929	1930	1929	1930
	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
June 7	7,120	2,344	2,264	1,336	0	104	10,452	8,348
14	5,968	3,080	1,632	468	0	80	10,742	7,441
21	4,800	2,672	1,334	1,840	32	160	8,519	5,448
28	6,088	2,192	708	656	0	120	7,933	6,757
July 5	5,328	1,624	1,384	1,508	120	80	4,342	5,254
12	4,312	780	1,176	1,000	0	168	11,140	8,084
19	2,996	1,336	1,160	1,064	120	136	6,446	6,759
26	2,388	416	1,272	1,304	8	24	5,675	9,167
Aug. 2	2,620	732	592	1,444	208	0	7,998	8,283
Aug. 9	5,938	1,336	1,568	1,716	16	336	5,586	8,388
16	5,686	928	1,516	852	144	136	6,728	9,564
23	6,924	516	1,352	1,428	160	472	5,045	10,012
30	5,144	1,032	800	816	184	424	5,092	10,340
Sept. 6	5,930	461	1,704	512	120	592	4,000	8,212
13	3,631	892	1,400	560	928	1,260	7,280	10,063

Compiled from official and trade sources.

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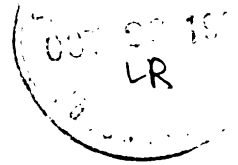
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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington



WH-54

October 21, 1930

WORLD WHEAT PROSPECTS

The world production of wheat is likely to be a little larger than in the past season but the world's consumption during the 1930-31 marketing season probably will exceed production. Conditions reported to date indicate that the world wheat crop outside of Russia and China will amount to about 3,650,000,000 bushels, about 160,000,000 bushels more than was harvested in 1929 but 320,000,000 bushels less than the 1928 crop. In the past season consumption exceeded production so that the stocks of old wheat on hand July 1 were at least 100,000,000 bushels less than on hand at the beginning of the previous season. Shorter feed grain crops and very low prices of wheat undoubtedly will result in the consumption of wheat being considerably larger than in the past season. Notwithstanding the continuation of high duties in some countries, Europe probably will consume more wheat than in the past season because of smaller supplies of feedstuffs with a larger number of livestock to be fed. The disappearance of wheat in the United States and in Europe together is likely to be about 250,000,000 bushels greater than in the past season. This would reduce the world's carryover of wheat at the end of the season to about a normal basis unless Russia contributes a large amount of wheat for consumption in the deficit countries.

Russia continues to be a very important factor in the wheat market. Reports of shipments from the first of July into the second week of October total about 25,000,000 bushels. This is more than twice the

amount shipped in the corresponding period of the 1926-27 season when the total exports amounted to about 49,000,000 bushels. It now seems quite likely that total Russian exports will exceed the shipments in the 1926-27 season. Some current reports estimate that shipments will amount to as much as 75,000,000 bushels. Uncertainty as to how much Russia may ship is probably more important at the present time than the actual volume of shipments.

Shipments of wheat from surplus producing countries during the first three months of the season exceeded shipments in the corresponding period of a year ago. Shipments to countries other than Europe have fallen behind, but the European takings have been considerably in excess of those of the previous season. France has reduced the requirements for the use of domestic wheat, in those mills that are restricted, from 95 to 90 per cent, and French imports are likely to be considerably larger than in the past season. Germany, on the other hand, has raised the milling requirements, increased the duty, and modified the import certificate system so that German millers are practically forced to pay fairly high prices for the domestic wheat and use but very little imported wheat. German imports may be reduced to some extent, notwithstanding the fact that stocks at the beginning of the season were comparatively low. Italy and several of the North European countries probably will take more wheat than in the past season. The Orient has begun to buy and probably will take as much if not more than in the past season.

Heavy shipments from Canada and the Russian situation continue to hold wheat prices at a low level. Canadian shipments will be checked with the closing of the Lakes. The Southern Hemisphere will begin to ship larger quantities of new wheat early in the year. Large stocks in Canada and the United States have been a depressing factor in the market. The visible stocks in these countries have begun to decrease. In the United States a continuation of exports and heavy feeding of wheat may reduce stocks at a fairly rapid rate during the next few months. While a decline in the visible supply is likely to be a strengthening factor in the wheat market, no material improvement in world market prices is to be expected until business activity becomes more stabilized and the decline in the prices of all commodities comes to an end.

World wheat production

The 1930 Northern Hemisphere wheat crop exclusive of Russia and China appears to be only slightly larger than the crop harvested in 1929. Preliminary data indicate a crop of 3,150,000 bushels compared with 3,127,000 bushels in 1929. Reports from the Southern Hemisphere indicate a somewhat larger crop than was harvested last year. Argentina and Australia have each sown a larger acreage and conditions were favorable until September when dry weather was reported but rains were general throughout Australia early in October, and in Northern Argentina. Assuming that the Southern Hemisphere will harvest a crop of 500,000,000 bushels, the 1930-31 world crop exclusive of Russia and China would be about 3,650,000 bushels compared with 3,491,000 bushels in 1929.

The official estimate of the Canadian crop remains at 384,766,000 bushels as estimated early in September. Threshing is nearing completion and the quality of the grain is high. There are regions in the west, however, where rain and snow have halted threshing operations and one estimate places the amount of grain still in the fields at more than 60,000,000 bushels. Milling, baking and portein tests conducted by the cereal laboratory of the Canadian Wheat Pool indicate that the top grades

of the new wheat crop are of excellent quality, according to a report recently released. The average protein content of the wheat crop based on analyses made to date is 12.5 per cent, approximately one-half per cent below the protein of the 1929 crop. The report states that all samples mill well, producing flours of good color.

Exports of wheat including flour during August and September were 52,000,000 bushels compared with 23,000,000 during the same period of 1929 and only about 9,000,000 bushels below 1928 when a record crop was harvested. Deliveries of wheat at country elevators and platforms up to September 30 were 121,000,000 bushels compared with 131,000,000 during the same period in 1929.

Preliminary reports show that more than 83,000,000 bushels of wheat were inspected in the Western Division up to September 30, of which 87 per cent was included in the contract grades. During the same period last year 94 per cent was classified in the contract grades. Stocks of Canadian wheat, including the stocks of Canadian wheat in United States Lake ports, amounted to 156,000,000 bushels on October 3, 1930, against 172,000,000 on October 4, 1929. Stocks at Fort William and Port Arthur are also under 1929 but quite a large amount of grain has been loaded on lake vessels for winter storage.

Little change has been reported in the European crop during the past month. Estimates of production as reported by 22 countries total 1,316,000 bushels compared with 1,406,000 bushels harvested in 1929. The official estimate of the French crop is 232,000,000 bushels. The official estimate of the 1929 crop was 320,000,000 bushels but it appears that production was at least 20,000,000 bushels above this figure. The quality of the 1930 crop in many European countries is greatly inferior to last year's crop.

The Russian crop is apparently well above last year and of much better quality. Reports in the Russian press estimate the increase in the commercial crop at 6 per cent above 1929. Procurements of grain by state and cooperative agencies during the first two months of the present season are estimated to be 50 per cent greater than in 1929. About one-third of the total amount planned for the year was collected during the first quarter.

Table 1.-Wheat: Production, average 1909-1913, 1923-1927, annual 1928-1930

Countries reported in 1930 1/	Average 1909- 1913	Average 1923- 1927	1928	1929	1930	Percentage 1930 is of 1929
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	Per cent
United States	620,108	809,608	914,876	805,790	839,612	104.2
Canada	197,119	403,714	563,726	304,520	384,769	126.4
Mexico	2/ 11,481	11,090	11,031	11,333	11,274	99.5
Total North America (3)	898,708	1,224,472	1,492,633	1,121,643	1,235,655	110.2
Europe (22)	1,321,038	1,215,370	1,375,808	1,406,308	1,315,629	93.6
North Africa (3) ..	58,385	59,930	67,176	77,223	58,607	75.9
Asia (3)	382,374	381,986	350,271	359,545	426,048	118.5
Total North- ern Hemisphere:						
countries (31)	2,660,502	2,981,759	3,265,838	2,964,720	3,035,939	102.4
Australia	90,497	136,604	159,879	126,477	2/ 200,000	158.1
Total above countries (32)	2,750,999	3,118,362	3,425,567	3,091,197	3,235,939	104.7
Estimated world total excluding Russia and China:	3,041,000	3,451,000	3,573,000	3,491,000	3,450,000	

1/ Figures in parenthesis indicate the number of countries included.

2/ Four-year average

3/ Preliminary forecast.

Australia

Weather conditions in Australia continue to be moderately favorable for wheat production. A slight deficiency in moisture was felt in September, but current reports on general conditions the first week in October indicate that this deficiency has been at least partly offset. A comparison of the weather conditions reported through September with conditions in earlier years in respect to their effect on yield indicates about average yields in 1930 for Australia as a whole, about 11.5 to 12.5 bushels to the acre compared with a corresponding estimate of 1929 yield of 8.6 bushels. An estimate from weather through October 1929 gave 8.3 bushels and the latest official report places yield at 8.5 bushels. The close approximation in 1929 was partly the result of averaging out variations in the different States. In the past 10 years Australian wheat yields have averaged 12.3 bushels to the acre and in the past 19 years 11.3 bushels, ranging from a low of 2.8 bushels to the acre in 1914 to a high of 16.1 bushels in 1920. Conditions during the balance of October may modify the estimate of probable yield somewhat. If the favorable conditions reported the first of the month are maintained some increase in estimate may result.

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The amount of wheat acreage to be retained for harvest is still in doubt. On the 17,491,000 acres reported early in September a yield of 11.5 to 12.5 would give a harvest of 200 to 220 million bushels. Allowing for a possible reduction of about 1,500,000 acres for use for hay and feeding, the remaining acreage at 11.5 to 12.5 bushels to the acre would give a crop of 185 to 200 million bushels. A recent cable from the International Institute of Agriculture reports the area to be 18,160,000 acres and indicates that the crop is likely to amount to 200 million bushels.

Argentina

Early prospects are for a much larger 1930 wheat harvest in Argentina than in 1929. Weather, according to incomplete returns, has been moderately favorable up to the first of October. On the basis of a comparison with the weather in corresponding periods of earlier years in relation to final official estimates of yield, the weather reported this year indicates a final yield estimate of about 12 to 12.5 bushels to the acre sown. A similar estimate based on weather through October last year indicated 6.6 to 8.2 bushels when the final official report of yield was 7.1 bushels.

On the 20,139,000 acres reported sown this year 12 to 12.5 bushels an acre would give a harvest of 240 to 250 million bushels. In the past three years information on exports and carryover tend to indicate that the official estimate has been too low by about 25 to 35 million bushels. Whether the production underestimate was due to an underestimate of acreage or yield is not known. Should a similar situation occur this year the estimated yield would indicate an actual harvest of 265 to 285 million bushels, compared with 160 to 175 million in 1929. October temperature is an important factor in determining the Argentine wheat yields and thus there is still chance for a wide variation in the final outturn. This year rainfall before planting season appears to have been ample in the wheat zone, and with the falls that have occurred during the growing season should carry the crop to maturity in good shape unless unusually hot weather is experienced in the ripening season now at hand. In September and the first week of October temperatures were about average.

Prices

In some markets wheat prices have reached the lowest level since 1901. For comparison with 1901 prices, see figures of prices in the United States, following page 30.

The farm price of wheat declined from an average of 74 cents per bushel in August to 70.3 in September, and October farm prices may average lower than in September. Cash prices of all classes and grades of wheat at six markets declined from an average of 81 cents per bushel the week ended September 12 to 74 cents the first week of October. The prices of each of the several classes of wheat declined. The marketing of the spring wheat crop in Canada and the northwestern States caused the decline to be greatest in the spring wheat markets, while heavy feeding in the winter wheat producing regions held in check to some extent the decline in the winter wheat markets. The average price of No. 1 dark northern spring dropped from 91 cents the second week in September to 83 cents the first week of October. No. 2 amber durum at Minneapolis declined only 5 cents in these four weeks,

but the average price of this class of wheat had already fallen from 93 cents the second week in August to 79 the second week in September, while the prices of No. 1 dark northern spring were being maintained. The price of No. 2 hard winter at Kansas City declined from 80 to 73, while No. 2 red winter at St. Louis was declining from 90 to 85 cents per bushel.

The price of wheat continues low relative to the price of corn. The first week of October the cash price of No. 3 yellow corn at Chicago averaged 86 cents per bushel, 12 cents higher than the average of all classes and grades of wheat at six markets. The average farm price of corn in the middle of September was 91.7 cents per bushel, when wheat averaged only 70.3. In every state excepting South Carolina and Georgia, the farm price of wheat was below the price of corn. The difference in price ranged from 30 cents below in Maryland to 19 cents above in Georgia. The farm price of wheat ranged from 57 cents a bushel in Wyoming to 127 cents in Georgia, while the farm price of corn ranged from 74 cents per bushel in North Dakota to 133 in Arizona. As long as this disparity between wheat and corn prices continues, farmers in many parts of the country will feed wheat as a substitute for corn and use it extensively in mixed feeds.

Below is a table which shows comparable index numbers of wholesale prices for 10 important countries. Column I shows a comparison of the price level in these countries in 1925 with 1913. Column II gives a comparison of prices in these countries in July, 1930 with 1913 and column III is a comparison of July prices with prices in 1925. The index numbers are based upon a list of commodities as nearly identical as possible for all countries, the same method of calculation and weighting being applied to each.

Table 2.- Comparative index numbers of wholesale prices in 10 countries ^{1/}

Country	1913= 100		Percentage	
	1925	July, 1930	July, 1930 is	of 1925
United States	165	122		74
United Kingdom	158	114		73
Holland	148	108		74
Sweden	149	110		75
Canada	164	131		79
Belgium (gold basis)	149	121		81
Italy " "	140	116		83
France " "	124	109		88
Germany	142	122		89
New Zealand ^{2/}	162	148		92

^{1/} From London and Cambridge Economic Service, September 23, 1930.

^{2/} June.

Table 3. - Wheat: Closing prices of December futures
at specified markets

Date	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires
	1929: 1930	1929: 1930	1929: 1930	1929: 1930	1929: 1930	1929: 1930
	Cents	Cents	Cents	Cents	Cents	Cents
Sept. 4:	140	87	134	81	140	85
11:	144	87	137	81	145	85
18:	139	87	133	81	140	85
25:	137	83	131	77	141	82
Oct. 2:	133	81	128	76	137	79
9:	135	77	130	71	137	75
16:	130	77	123	71	133	73
23:	120		114		122	
30:	128		122		131	
Nov. 6:	123		117		126	

1/ Prices are of day previous to other prices.

2/ October futures. 3/ February futures.

Table 4. - Wheat: Weighted average cash prices at stated markets

Week ended	All classes: hard winter: six markets	No. 2	No. 1	No. 2	No. 2	Western white
	1929: 1930	1929: 1930	1929: 1930	1929: 1930	1929: 1930	1929: 1930
	Cents	Cents	Cents	Cents	Cents	Cents
Aug. 29:	123	84	120	83	134	91
Sept. 5:	123	81	125	79	137	88
12:	130	81	126	80	140	90
19:	128	79	125	78	138	87
26:	125	78	123	77	133	87
Oct. 3:	126	74	124	73	135	83
10:	126	77	125	75	137	85
17:	125		121		134	
24:	119		117		127	
31:	121		119		128	

1/ Weekly average of daily cash quotations basis No. 1 sacked 30 days delivery.

Table 5.-Wheat: Price per bushel at important world markets, January - August, 1929 and 1930

Month	Liverpool Parcels 1/		Winnipeg 2/		United States 3/		Buenos Aires 4/	
	1929:	1930:	1929:	1930:	1929:	1930:	1929:	1930:
	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:
Jan.	131	140	112	123	114	119	109	119
Feb.	135	124	120	110	118	113	112	107
Mar.	131	119	119	100	116	102	112	100
Apr.	125	120	115	103	110	101	108	106
May	116	114	107	104	101	99	100	103
June	117	110	112	98	105	89	97	100
July	141	106	152	90	125	80	120	94
Aug.	142	108	152	88	123	81	120	95
Sept.	137	93	144	74	124	78	118	82
1st week	133	98	146	78	125	79	120	87
2nd week	138	98	149	78	126	80	121	86
3rd week	136	91	144	75	125	78	117	81
4th week	138	84	139	69	123	77	113	76
Oct.								
1st week			137	68	124	73	113	74

1/ Average of all parcels; from Broomhall's Daily Corn Trade News.

2/ No. 3 Northern Manitoba.

3/ No. 2 Hard Winter, Kansas City.

4/ Early Delivery futures; from the New York Journal of Commerce.

Table 6.-Wheat: Liverpool parcels price per bushel by classes

Month and week	No. 3 Northern Manitoba		No. 2 Hard Winter		Rosafé (62½ lbs.)	
	1929:	1930:	1929:	1930:	1929:	1930:
	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:
July (average)	164	109	143	103	140	103
1st week	141	109	132	103	127	103
2nd week	153	108	135	103	133	102
3rd week	164	107	145	102	142	104
4th week	180	109	149	104	147	104
5th week	184	105	153	103	149	105
Aug. (average)	170	119	144	105	140	108
1st week	179	110	147	106	143	108
2nd week	168	115	141	108	139	111
3rd week	168	102	146	104	142	107
4th week	164	102	140	103	136	105
Sept.						
1st week	163	100	142	100	138	102
2nd week	164	97	141	98	138	-
3rd week	161	94	139	96	135	-
4th week	158	90	136	90	127	89

Broomhall's Daily Corn Trade News.

The United States

The slight upward revision in the estimates of the spring wheat crops of the United States from 140 to 142 million bushels has little practical significance. Added to the winter wheat, the total United States crop is now estimated to be about 840 million bushels as compared with 806 millions harvested in 1929, and an average of 833 millions harvested in the 5-year period, 1924-1928. The crop began moving early. The stocks in terminal markets are large, but receipts are declining and the visible supply probably will not be increased much if any above the high point reached at the end of September. In recent weeks the exports of wheat have declined, but the weekly shipments continue to be above those of corresponding weeks of a year ago. The net exports of wheat including flour from July 1 to September 27 amounted to 54 million bushels, about 9 million bushels in excess of the exports of the corresponding period a year ago. A continuation of this rate of exports and heavy feeding of wheat in many of the winter wheat producing States probably will result in the visible supply being reduced at a fairly rapid rate.

Wheat feeding

Reports from many sources indicate that large quantities of wheat are being fed. The feed supply of the United States is the shortest since that of the 1901-02 season. The corn crop is always by far the most important factor in the feed situation. Conditions reported as of October 1 indicated a corn crop 567 million bushels below that of 1929 and 633 millions below the average of the period 1924-1928. Furthermore, the carryover of old corn is unusually short. The corn crop of 1901 has been estimated at 1,614 million bushels, a reduction of 910 millions from the previous crop and 760 millions below the average of the previous five years. But in the period 1896-1901 the United States was producing a large surplus of feed grains. The exports of corn had averaged about 190 million bushels. The oats crop of 1901 was relatively short, whereas in 1930 the oats crop is slightly above average. The difference in the oats situation, however, is also partly offset by the fact that in the 1896-1900 period the United States was exporting more oats than at present. In 1901, as in 1930, the wheat supply was large and the price of wheat was low. An analysis of the wheat supply and distribution indicates that about 12 per cent of the wheat crop of 1901 was fed to livestock.

What about the demand for feed? An analysis of the relation of feed to the numbers of animals on farms in the United States during the past thirty years indicates very clearly that the feed requirements of animals per unit have been greatly increased. The significance of the reduction in feeds can be judged best by comparing the relation of the feed supply to the animal units of corresponding periods. The number of animal units to be fed in the United States in the 1930-31 season probably is only slightly less than the average of the numbers fed in the past five years. A smaller number of hogs is largely offset by a larger number of cattle to be fed. The situation with respect to cattle is quite similar to that of the 1901-02 season. The relation of the feed supply to the number of animal units to be fed appears to be the shortest since the 1901-02 season.

Probably wheat will be fed more extensively than in any of the previous years. The reasons for believing this are mainly:

(1) There has been a great increase in the use of prepared or mixed feedstuffs, including ground or cracked grains, and it appears that wheat is being used much more extensively than usual in the preparation of such feeds.

(2) The price of wheat is much lower relative to corn prices and has been for a longer time than in any other period for which data are available. The price of corn is so much higher than wheat in practically all states that farmers are likely to feed on the farm much more wheat than usual.

Stocks

Stocks of all grain at principal markets decreased 4 million bushel during the week ended October 11. During the corresponding week last year stocks at these markets increased 3 million bushels. The level of stocks on October 11 was about 32 million bushels above the total for the same date last year. On October 11, 1930, wheat stocks at these markets amounted to 162 million bushels which represented 75 per cent of stocks of all grain. On the corresponding date last year wheat stocks were 156 million bushels or 78 per cent of stocks of all grain.

Receipts and shipments

Shipments from Duluth exceeded receipts during the week, but at Minneapolis receipts continue well above shipments. There was a noticeable decline in both receipts and shipments at Chicago during the week, with the total receipts below total shipments for the week. Exports from gulf ports during the week were as follows: Galveston, 240,000 bushels, and 356,000 bushels for New Orleans, as compared with 438,000 bushels for Galveston and 25,000 bushels for New Orleans during the corresponding week last year.

WH-54 Table 7.—Stocks of all grain, unfilled storage space available for storing new crop and percentage of total space filled at 14 principal markets, comparable dates, 1929 and 1930

Market	Oct. 12, 1929			Oct. 11, 1930		
	Stocks	Percent-	Available	Stocks	Percent-	Available
	all	age	space	all	age	space
	grain	filled	unfilled	grain	filled	unfilled
	1,000	Per	1,000	1,000	Per	1,000
	bushels	cent	bushels	bushels	cent	bushels
Kansas City	29,291	97		28,962	83	2,190
Hutchinson	1,924	57	1,136	5,689	70	1,664
Wichita	2,032	82	204	3,416	86	139
Omaha	13,017	94		17,158	91	
Chicago	42,042	88		42,300	81	2,030
Duluth	34,025	79	2,589	40,332	82	4,983
Minneapolis	59,296	92		67,284	91	
Milwaukee	6,095	80	344	8,999	80	1,081
St. Joseph	6,510	82	645	7,711	77	746
St. Louis	5,172	68	1,601	8,865	78	1,738
Galveston	2,603	57	1,264	5,465	54	3,580
New Orleans	4,475	82	418	4,241	77	410
Fort Worth	6,530	70	1,583	6,994	70	2,149
Houston	1,667	83	33	1,947	65	603
Total	214,879	85	1,652	246,413	84	15,674

Table 8.—Wheat: Commercial stocks of domestic wheat in store in principal United States markets

Week ended on specified date, 1930, and the corresponding weeks in 1928 and 1929:		1928	1929	1930
		Million bushels	Million bushels	Million bushels
Aug.	2	63	136	162
	9	73	157	173
	16	83	172	184
	23	88	180	195
	30	94	187	201
Sept.	6	97	189	204
	13	101	193	214
	20	109	196	218
	27	115	198	224
Oct.	4	121	199	221
	11	129	201	219
	18	135	201	
	25	138	203	
Nov.	1	139	202	
	8	140	200	
	15	138	198	
	22	139	193	
	29	140	190	
Dec.	6	140	199	
	13	141	188	
	20	142	188	
	27	144	185	
Jan.	3	142	182	
	10	139	179	
	17	135	175	
	24	133	172	
	31	130	168	

Figures supplied by Market News Service, N.Y., and San Francisco Division.

The Orient

Although the coastal wheat producing regions of China harvested larger crops of wheat this year than last, domestic receipts have fallen off and considerable amounts of wheat and flour have been bought for import. A large rice crop in Japan may prove to be a weakening factor in the future Oriental demand for wheat. It seems likely, however, that the Oriental countries will take about as much wheat and flour from foreign producers as they took in the past season.

Japan

The domestic wheat market in Japan continued dull during September, but mills were active on account of good export demand for Japanese flour, according to a cable to the Foreign Service from Consul General Garrels at Tokyo. Japan imported in August 340,000 bushels of wheat from the United States, 278,000 from Canada, and 92,000 from Australia.

Table 9.—Price per bushel of wheat at mills and the wholesale price per bag of flour at Tokyo, Japan, July 1-October 1, 1929 and 1930

Date	Wheat			Flour
	United States:	Canadian		
	western	No. 5	Australian	
	white No. 2			
	Cents	Cents	Cents	Cents
<u>1929</u>				
July 1	160	155	162	157
Aug. 1	181	--	185	179
Sept. 1	174	173	175	180
Oct. 1	168	171	178	180
<u>1930</u>				
July 1	140	133	142	146
Aug. 1	133	128	141	139
Sept. 1	123	122	127	143
Oct. 1	120	111	124	121

Compiled from cables received from Consul General Garrels at Tokyo.

Shanghai

Shanghai millers have bought quite large quantities of Australian, Canadian, and American wheat, according to a cable from Agricultural Commissioner Nyhus at Shanghai. A prominent importer at Shanghai reports that about 2,000,000 bushels of Canadian wheat have been sold or contracted for at 85 to 90 cents a bushel. Purchases of American wheat for blending are estimated at 1,300,000 bushels, and Australian wheat at 2,900,000. Prices paid for the American wheat are about the same as those paid for the Canadian, and the Australian wheat was contracted for at 90 to 93 cents a bushel. The first shipment of this wheat arrived October 10. The purchases are for deliveries up to February.

Arrivals of native wheat at Shanghai have fallen off and recently low price levels encouraged millers to buy foreign wheat. Further orders for foreign wheat are not being placed at the present time on account of the decline in local flour prices and the slow export movement of flour from Shanghai.

The embargo placed by the Nanking government against the shipment of flour from Shanghai to Tientsin has been lifted, but no large orders are being placed. Flour is quoted at \$.944 per bag for October delivery and \$.936 per bag for November delivery. The present margin between flour prices and foreign wheat prices is unfavorable and in view of the large purchases which have already been made it does not seem probable that Shanghai millers will place any further orders for foreign wheat at the present. Importers believe, however, that if the flour market or exchange rate improves, millers will be in the market later for shipments in February and March.

The Chinese press has carried stories of the dumping of wheat in Shanghai by America and Russia and appeals have been made to the Nanking government to prohibit such practices. The foreign press has pointed out that there is no truth in the charges and that uninformed people in the trade must have circulated these rumors to influence the local wheat and flour market.

Tientsin

The Tientsin flour market continued active through the week ending September 20, according to a cablegram from H. D. Robinson, American Trade Commissioner in that city. Stocks of flour on hand in Tientsin are now very small compared with a year ago. They are estimated at only 100,000 bags, whereas the daily takings of flour during the winter may amount to 25,000 to 40,000 bags. The production of flour from local wheat is expected to slacken in the latter half of October. It is reported that a million bags of American and Canadian brands have been ordered for October and early November. The occupation of Tientsin by the Manchurian troops is expected to increase the consumption of flour.

The Continental European wheat market situation during September 1930 1/

Continental wheat markets appeared to be approaching some degree of stability in August, but during September unexpectedly strong selling pressure - in the first part of the month particularly from Canada, and in the second half chiefly from Russia - led to a further decline in prices, especially for overseas grain. With values falling, general reluctance to buy for future requirement again became strongly in evidence. Restricted marketings of domestic wheat, however, helped greatly in sustaining home market prices in the face of a general recession overseas.

September wheat market events brought very little change in the actual supply or demand situation in Europe. Favorable weather for the completion of harvest has resulted in yields somewhat better than expected in Northern Europe but not enough to alter general consumptive requirements materially. Heavy offers from Russia are being interpreted as indicative of probable increased Russian exports, but whether total shipments from this source will much exceed our expectations of 40,000,000-55,000,000 bushels is still doubtful. With the large Canadian sales in September being interpreted as a change in Pool policy and heavy Russian offers and reports of many Black Sea charters as indicative of a heavy increase in Russian exports, there was not sufficient buying to absorb the selling movement which developed in overseas grain, even though domestic wheat was relatively well maintained over most of the continent.

Table 10 - Domestic wheat prices per bushel on the continent

Month	Paris	Milan	Hamburg	Vienna	Budapest
	Cents	Cents	Cents	Cents	Cents
Sept. 3	167.9	181.2	165.3	98.60	73.07
Sept. 25	175.9	181.2	153.6	90.94	72.59
Sept. 30	173.8	176.2	155.6	92.85	72.59

1/ October 1.

The European wheat crop outside of Russia continues to promise an outturn about 140,000,000 bushels smaller than in 1929, and will not be far from this figure when final results are in. The size of Russia's wheat crop is still unknown with any degree of definiteness, but it seems probable that the total outturn is around 110,000,000 - 130,000,000 bushels above last year, and of very good quality. Whether more than half of this increased production can be exported is questionable and a matter that only future developments can tell. Recent heavy Russian sales and charterings do not yet indicate an export to exceed this amount. It should also be remembered that Russia must move as much grain as possible before winter shuts off shipping.

1/ Prepared by Agricultural Commissioner Loyd V. Steere, Berlin, Germany, October 2, 1930; supplemented by cable of October 11, 1930.

The efforts of European governments to support domestic grain markets and aid agriculture in the current crisis have been reflected in further tightening up on milling regulations in several countries and some additional tariff increases in recent weeks. Generally speaking, the effect of recent developments of this character will be to insure a relatively high rate of consumption of domestic grain during the first half of the season and relatively favorable domestic prices in comparison to world levels. The net effect is to reduce current import requirements and depress world prices. The use of compulsory regulations to support home markets through increased milling of domestic grain has proved a very effective economic measure wherever adopted, and the practice is spreading. This policy in general use will need considerable modification in European wheat buying policy, and probability of its growth must be reckoned with in all wheat exporting countries.

Feed grain markets

Continental corn markets were comparatively quiet throughout September, with prices tending downward. The buoyant influence of the reduction in the United States corn crop, has completely disappeared and high shipments from Argentina, South Africa and the Danube have played the leading role. A recent increase in the French import duty on corn has also had some influence. Barley markets were likewise governed by extensive Russian offers, and the oats market and prices reflected the heavy shipments from Argentina which have recently been about three times as high as at this time last year.

The corn harvest has started in southern and south-eastern Europe under favorable conditions.

Autumn sowing

Autumn sowing has begun in the Balkan and Central European countries and made good progress in Italy. Weather developments in France, where sowing is also under way, are reported as not having been especially favorable for autumn work.

Crop and deficit estimates

Our estimates of the production and probable imports and exports of individual countries have undergone only minor revisions as a result of September developments. Later revision in crop figures is expected for some of the Danube countries, France and parts of Northern Europe, but the changes should tend to offset each other and cause no significant alteration of the outturn for Europe exclusive of Russia. Import requirements are a much more indefinite matter because of the difficulty of considering the effects of government regulations and restrictions on imports, and of future price tendencies. An estimate of European import requirements at the present time must allow for a rather wide range of possibilities, notwithstanding the fact that the new season began with wheat stocks in Europe reduced to a point that would seem to allow of no great latitude in postponing purchases to cover normal import needs.

See Tables 18 and 19 in the September issue.

(Mr. Steere considers the official/estimates of Spain, Portugal production
Rumania, Bulgaria and Yugoslavia too high; and of Hungary too low. He would reduce the estimates of German imports from the range of 60 to 65 millions to a range of 44 to 45 millions.)

Germany

The German wheat market experienced a sharp decline in prices during the latter half of September, after maintaining a level of \$1.62 per bushel during the first half of the month under the influence of supporting purchases of the Getreidehandels-gesellschaft. The recession abroad together with heavy offerings of new crop wheat and reduced purchases of the government agencies brought prices down as low as \$1.43 on September 27. The month generally was characterized by only small demand for both foreign and domestic wheat, and transactions in flour covered only current needs.

Among the most important events of the month in the grain market were the long expected increase in the percentage of compulsory milling for domestic wheat from 60 to 80 per cent for October and November, and the increase in the duty on wheat from the already high rate of \$0.97 cents to \$1.20 per bushel. The latter step resulted from the further recession in world wheat prices and the consequent drop in domestic quotations to levels much below the \$1.69 per bushel mentioned in the tariff law of April 15 as an average price level to be aimed at. The last previous increase in duty was one from \$0.73 to \$0.97 on April 25, 1930.

Table 11.- Germany: Weight of wheat and rye per measured bushel, 1927-1930 (Expressed in percentage of total production)

Year	Winter wheat			Winter rye		
	Less than : 57 pounds	57-59 pounds	Over 59 pounds	Less than : 53 pounds	53-55 pounds	Over 55 pounds
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
1927 :	28	43	29	31	46	23
1928 :	7	36	57	7	38	55
1929 :	10	29	61	6	33	61
1930 :	24	39	37	19	48	33

Compiled from cables from Agricultural Commissioner Steere at Berlin.

Possibly the most significant government action in September was the decree, effective October 3, suspending the issuance of import certificates for all important agricultural products, at least for the rest of the current fiscal year. No import certificates will be given after October 3 for any grain (including wheat and rye flour) and the value of the remaining import certificates on other milling products have been considerably lowered. The reason for this measure is largely to be found in the fact, that the amount of \$23,820,000 provided in the budget for this purpose has been largely used or the balance is required for price supporting measures in the grain market, particularly for rye. Since no further funds will be available from this year's budget, the limited resources are to be concentrated in direct

efforts to support prices in the grain market. It is said, that the suspension of import certificates will seriously hamper exports of rye flour, which have been of some proportions.

The rye situation in Germany remains very unfavorable although the crop is lower than last year. The two supporting agencies continue to operate in the market and according to their own statement have purchased more than 27,600,000 bushels of rye since the beginning of this year's rye campaign.

Offers of the new rye crop increased rapidly during September and assumed such proportions that the Getreidehandelsgesellschaft was unable to handle them all. Since supporting purchases were made at the Berlin market only, wide divergencies in price quotations at different markets occurred and, as a result, practically all offers concentrated in Berlin. Finally, soon after the elections the supporting agencies announced that from then on they would follow a more elastic purchasing policy. In other words the agency admitted its inability to keep prices on their former level. It appears that this step became necessary because funds for the purpose were nearly exhausted and new ones not likely to be had, owing to the strained conditions of the finances of the Reich.

Table 12.- Germany: Prices per bushel of domestic wheat and rye, August 20 - October 8, 1930

Date	Wheat		Rye	
	Hamburg 1/	Breslau 2/	Berlin 3/	Berlin 4/
	Cents	Cents	Cents	Cents
Aug. 20	173	164	165	101
27	170	161	157	108
Sept. 3	165	158	162	113
10	159	156	161	113
17	155	150	152	113
24	152	150	151	97
Oct. 1	154	147	145	90
8	154	151	147	91

1/ Wheat of any German district of at least 58.7 pounds per Winchester bushel.

2/ Wheat of any German district of at least 58.7 pounds per Winchester bushel in carloads of 370 bushels.

3/ "Münchischer" wheat of 58-59 pounds per Winchester bushel.

4/ "Münchischer" rye of 54-55 pounds per Winchester bushel.

German imports of wheat in August were comparatively small amounting to only 3,290,000 bushels against 3,336,000 bushels in July 1930 and 5,236,000 bushels in August 1929. Wheat stocks at Hamburg and Bremen, and stocks at Berlin continue low as usual at this time of the year.

The latest official crop estimate as of early September indicates the following crop outturn in Germany:

Grain	1929		1930	
	Final		Aug. 1	Sept. 1.
	1,000 bushels		1,000 bushels	
Rye	321,045		297,345	303,526
Wheat	123,073		129,630	131,174
Barley	146,039		121,575	123,090
Oats	508,633		376,849	376,849

There is some possibility that the final estimate for Germany will show a further upward revision for rye and wheat, but the change is not expected to be important.

Table 13.- Germany: Production of grains, 1929 and 1930 and stocks on September 15, 1929 and 1930

Grain	1929					
	Farm stocks		Available for sale		Production	
	Per cent	bushels	Per cent	bushels	bushels	
		1,000		1,000	1,000	
Winter wheat.....	82.9	93,400	67.9	76,500	112,687	
Spring wheat.....	93.1	9,700	81.4	8,500	10,386	
Winter rye.....	86.7	274,800	55.6	176,200	316,993	
Winter barley.....	72.4	12,700	16.4	2,900	17,497	
Spring barley.....	90.8	116,800	68.7	88,300	123,591	
Oats.....	94.4	480,100	43.0	218,700	503,633	
	1930					
Winter wheat.....	77	92,400	64	76,800	119,956	
Spring wheat.....	89	10,200	80	9,100	11,424	
Winter rye.....	85	255,000	53	159,000	299,987	
Winter barley.....	56	11,200	9	1,800	20,057	
Spring barley.....	81	83,300	62	63,800	102,881	
Oats.....	95	358,200	38	143,300	377,007	

Compiled from reports of the German Agricultural Council.

France

Wheat market conditions were generally favorable for sellers during the whole of September. The poor crop, together with the obligation of millers to use at least 90 per cent inland wheat, tended to keep demand on a high level. Farmers are taking advantage of the situation and are tending to hold back on selling in expectation of still higher prices. The government is encouraging this tendency by advising farmers to keep sales on a low level.

While small millers are able to obtain their supplies of wheat, though not without difficulty, the larger flour mills are reported much hampered in their operations by these small offers of native wheat. This situation has been the cause of the general market firmness in September, during which prices in Paris reached almost 192 cents per bushel in the middle of the month. Towards the close the attitude of sellers became less reluctant and prices declined, in harmony with tendencies in the world market, to 183-184 cents, a level some 10-11 cents higher than at the beginning of September.

The French grain trade has been anticipating momentarily an increase in the percentage of foreign wheat allowed to be milled, but as yet there is no indication as to when it will come. The increase in domestic marketings at the close of September might conceivably result in some further postponement of an order to this effect, though delay in changing the percentage can only mean a greater increase in imports later on.

Estimates of the French wheat crop still vary widely. M. Destombe, a well-known statistician, recently issued an estimate of 208,000,000 bushels as compared with the official figure of 319,863,000 bushels in 1929, and an estimate of 193,000,000 bushels taking into consideration the lower weight per hectoliter. The Bulletin des Halles, however, has just issued an estimate of 247,000,000 bushels against a figure of 390,000,000 bushels for last year. These ideas represent two extreme views, and actuality is somewhere between them, apparently a little nearer to the higher figure than to the lower one. Until more evidence is available we still place the total crop at 239,000,000 bushels, and the millable outturn at 213,000,000-220,000,000 bushels. The newspaper Information Financiere estimates the millable wheat at 208,000,000 bushels.

Italy

Italian markets have continued to exhibit some interest for foreign wheats in September, particularly during the first half of the month; and notably for Russian, though also for Manitobas. The turnover in domestic wheat remained limited, however, largely because of restricted offerings by farmers, and prices of domestic wheat, therefore, declined much less than foreign wheat prices.

The wheat crop has proved smaller than expected earlier in the year and is now officially estimated at 210,503,000 bushels. There is some reason to believe that results were even less favorable.

Prices per bushel of domestic wheat free Milan, 1930

<u>Date</u>	<u>Cents</u>
Aug. 28	183
Sept. 3	181
10	182
18	185
25	180
Oct. 1	176

Belgium and Holland

Wheat business in Belgian and Dutch markets on September, while somewhat active at the beginning of the month, remained restricted throughout most of the remainder of the period under review, with somewhat better sales at the close as a result of German demand prior to the increase in the German wheat duty, and somewhat improved inquiry on the part of the Dutch flour mills. Interest centered around Russian wheat as well as Hardwinter.

Stocks of grain at Rotterdam and Antwerp have been tending upward in recent weeks, doubtless partly because of seasonally larger shipments, but are still about on a level with last year at this time and are apparently not far from a normal figure. Continued slow sales, however, will probably mean a further increase in coming weeks.

Danube Basin

Wheat markets in the Danubian deficit as well as surplus regions over most of September reported very restricted business and downward prices. Some slight recovery during the early part of the month, of both business and prices, proved insignificant in view of the extremely unsatisfactory development during the subsequent weeks. Price depression is quite general, and complaints of farmers and their organizations were very pronounced in the deficit areas.

Import business of Austria and Czechoslovakia was restricted and a hand-to-mouth buying policy was quite generally followed by the flour mills and the trade. Prices in Vienna, Bratislava, and Prague declined about 6 per cent during the month.

Viennese Boden Wheat

Spot price per bushel at Vienna

<u>1930</u>	<u>Cents</u>
July 31	107
Aug. 30	96
Sept. 2	99
5	95
12	96
19	96
26	91

Crops in Austria and Czechoslovakia seem to have turned out quite satisfactorily, though there are complaints received as to the quality of the wheat crop, notably in Czechoslovakia. The latest official estimate for Czechoslovakia indicates a wheat crop of 55,094,000 bushels (last year 52,902,000), rye 58,028,000 (72,185,000), barley 56,493,000 (64,073,000), oats 85,428,000 (102,927,000), corn 8,149,000 (9,113,000). A later report indicated that the total grain crop is below average, with some sections reporting only about 2/3 of normal weight per hectoliter in the case of wheat, barley, and oats. The official Austrian estimate of the wheat crop is 11,949,000 bushels, compared with 11,559,000 harvested in 1929.

Public discussion and preparatory work in the agricultural organizations and government offices relative to agrarian relief have gone on both in Austria, and in Czechoslovakia. The latter again raised the grain supplement duties (wheat from 18 to 20 cents, rye unchanged 37, barley unchanged 23, oats unchanged 15, flour from 49 to 52 cents per 100 pounds), effective September 20. This increase, however, is the last increase, cannot now come in force because of the trade treaty with Hungary expiring December 15, 1930. Further consideration has been given in Austria to the introduction of a grain import monopoly. It is planned to erect a grain import office which will use the large profits made due to the low price of foreign wheat purchased and the high domestic selling price for the distribution of subsidies to flour mills in order to cheapen the price of flour. The introduction of the monopoly is expected for the next campaign.

Wheat markets in the surplus Danube countries reported somewhat increased business during the early part of the month, especially in Rumania, while later business was checked by reduced offerings and arrivals as a result of falling prices. Hungary's export sales were chiefly directed to Czechoslovakia and Austria, while business to Italy was still more restricted because of the predominance of Russian wheat on the Italian import market. Yugoslavia even reported that there had been arrivals of Russian wheat and other grain in the Yugoslavian Adriatic ports which were offered and sold considerably below domestic quotations.

Hungarian Tisza Wheat, spot prices per bushel, Budapest

<u>1930</u>	<u>Cents</u>
July 31	93
Aug. 30	77
Sept. 3	73
11	76
17	74
27	73

The price decline on the Budapest market during recent weeks was relatively moderate as the Hungarian Government made considerable market supporting purchases. Offerings are also relatively small for the time of the year. It is pointed out by some observers that Hungary failed this year to make use of the usually good opportunity immediately following the harvest to export a considerable share of her surplus which will aggravate the difficult agricultural situation within the country.

Danube shipments of wheat and flour to Europe 1/

Four week	:	:	:	:	:	:	:	
periods 2/	:	1924-25:	1925-26:	1926-27:	1927-28:	1928-29:	1929-30:	1930-31
	:	1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	:	bushels:	bushels:	bushels:	bushels:	bushels:	bushels:	bushels
	:	:	:	:	:	:	:	:
Aug. 1 - 29	:	1,029:	367	: 808	: 294	: 73	: 698	: 1,360
Aug. 30 -Sept.26	:	294:	845	: 845	: 1,323	: 257	: 3,013	: 3,160
	:	:	:	:	:	:	:	:

1/ Down the Danube.2/ For 1929. Other years nearest comparable period.

The high shipments this year seem to be due for the most part to efforts on the part of Rumania to dispose of some surplus left from last year and early shipments from the large new crop which provided a surplus above domestic needs.

Estimates of the Danubian surplus countries corn crop, published by official departments, run as follows:

Hungary	51,178,000 bushels	(last year	70,626,000)
Jugoslavia	137,866,000	"	(" " 163,377,000)
Rumania	155,424,000	"	(" " 251,403,000)
Bulgaria	33,463,000	"	(" " 36,061,000)

The exports from Yugoslavia and Hungary as now calculated take into consideration the reduction in wheat stocks in those countries (See our June 29 report) and also the poor corn crop in Hungary with small stocks at the beginning of the year. In Yugoslavia the corn crop is still regarded as fair with some stocks of importance from last year so the corn supply will probably not be a factor in reducing wheat exports as in Hungary.

Agrarian policy efforts of the surplus countries continued active also during the period of approximately the last month under review. Hungary expects to revise its "bolette" 1/ system and thus grant the farmer better prices through higher "bollete" premiums. The Yugoslavian Privileged Export Company suggested the introduction of grain export premiums, despite a recent resolution against such premiums at the Warsaw conference. The government is also in negotiations with German interests relative to the promotion of export of Yugoslavian agricultural products to Germany. Rumania, though already having a national export institute, is planning the erection of a special grain export central office. This central

1/ Certificate system, see page 29 of World Wheat Prospects dated July 29, 1930

office is expected to become an important instrument in the agrarian union planned with Yugoslavia and possibly in trade negotiations with the industrial countries. The Rumanian export institute has reported considerable success in its activity since a couple of months. It not only promotes standardization of agricultural products, but also makes considerable efforts to further the sale of Rumanian products in foreign countries. For this purpose the institute cooperates closely with the Rumanian consulates and legations in various custom r countries.

The plans of agrarian cooperation in the East or South-East of Europe with the distinct note toward a preferential trading system in Central Europe have been emphasized and furthered through discussion in the recent session of the League of Nations. The idea of the formation of economic groups as a first and possibly more effective step toward a pan-european union, with special regard to the efforts of south-eastern agrarian countries, has been given wide attention. In the second commission of the League of Nations the Rumanian representative suggested a "regional clause" for trade treaties, which would exempt certain groups of countries from the obligations of the most-favored-nation clause with respect to concessions made to those groups. Rumania has invited 10 European, mostly agrarian, countries to attend a conference to be held at Bucarest on October 15, where the question of a preferential duty system in Central Europe shall be further discussed. The possibilities of concerted action against Soviet competition will also be discussed.

Poland

The situation in the Polish grain market was similar to that in other European markets, with prices declining and business restricted. As a result of the low prices ruling, offerings were small, but despite this fact the government grain industry company made considerable supporting purchases for various grains. The export of grain to France, chiefly rye is thought possible.

The latest official crop estimate is higher than the previous estimate for all grains: wheat 70,180,000 bushels; rye 263,439,000; barley 63,382,000; oats 150,188,000 bushels. This estimate seems somewhat high.

It is expected that the grain export premiums which expire on October 31 will be prolonged. They will amount to 11 cents per 100 pounds in the case of barley, 17 cents for rye, 18 cents for wheat, and 61 cents per 100 pounds for flour. The exemption of bran exports from the export duty, expiring December 1, 1930, is expected to be prolonged to June 1931.

Baltic Countries

Grain business on the Baltic markets was also rather limited during September.

Sweden

A very good grain harvest, considerably above last year, is expected in Sweden. This fact has hastened the Government's efforts toward protecting the grain farmer. The milling obligation for wheat and rye that had existed previously only on basis of a free agreement of the government with the flour mills, the latter guaranteeing a certain minimum price for domestic wheat and rye, has been made compulsory effective September 1, 1930. The price negotiations stipulated the following prices for the new crop year: wheat of 60 pounds and rye of 56.5 pounds per Winchester bushel free flour mill 2.18 and 1.82 dollars per 100 pounds respectively, in September 1930; 2.21 and 1.85 during the first half of October; 2.24 and 1.87 during the second half of October; 2.26 and 1.90 from November 1 to 15; 2.29 and 1.92 November 16 to 30; 2.31 and 1.95 December 1 to 15; 2.33 and 1.97 December 16 to 31, 2.36 and 1.99 for January 1931; 2.38 and 2.02 for February; 2.40 and 2.04 for March; 2.42 and 2.05 for April; and 2.43 and 2.07 dollars per 100 pounds for May to August, 1931.

The milling percentage for September and October, 1930, is now fixed at 60 per cent for wheat and at 70 per cent for rye, on an average, with a minimum percentage of 40 per cent suggested in the case of wheat. The new Government Grain Office is to supervise the actual carrying out of the milling regulations by the flour mills.

Soviet RussiaShipments

Shipments of Russian grain through the South Russian ports - as had been expected in our last month's report - continued on the previous relatively high level and at times even surpassed it during the first three weeks of September, with wheat by far playing the predominating part. Total shipments since the beginning of the new campaign (July 1, 1930) to October 12 amounted to 11,001,000 short tons, distributed as follows:

<u>Grain</u>	:	<u>1,000 bushels</u>
Wheat	:	25,242
Rye	:	1,417
Barley	:	11,712
Oats	:	1,102
Corn	:	137

It seems, however, that actual sales have been considerably higher than indicated by the above figures on passings through Constantinople. Some sales of grain, chiefly rye and oats, also took place in Northern Europe, having been shipped through the port of Leningrad.

Charterings of foreign steamers, previously reported, continued on a high level during the period under review, the total tonnage booked up to the present being placed at somewhat over 500,000 tons. This points to the intention of the Soviet Government to continue, at least for some weeks to come, to export large quantities of grain, although it should be noted that lumber was also mentioned as the other export article for which tonnage was secured.

On basis of past week's experience - when wheat predominated in total Russian exportations - and on basis of this year's crop outturn, it seems that a considerable share of the coming exports will fall to wheat, although nothing definite is known as to Government plans for grain exports and it is entirely possible that large shipments of other grains, especially barley will also take place.

Foreign press recently mentioned the possibility of the Soviet Government exporting a larger quantity than actually warranted by surplus stocks through the Black Sea ports and later making up for this exportation by reimporting grain through the northern ports.

The 1930 crop

Official estimates of the 1930 Russian grain crop are still lacking, but the crop is reported considerably above last year and above any of the post revolutionary years. The increase in the crop outturn is due both to an increase in the acreage left for harvest and to a somewhat

higher yield than last year. It is difficult to estimate the increase under wheat and rye and statements from Russian sources indicate large increases, but it seems too early to accept these estimates because of the variations in different sections and revisions of past years in the Russian estimates. Despite these optimistic early reports we think the crop may not be more than 15-20 per cent above last year's crop.

It should be remembered, however, that most of this year's acreage increase was in rye and wheat and at the same time that the yield of wheat - comprising about 56 per cent of total bread grain acreage - is reported higher than in 1929, when it was about 13 per cent below the average for 1925-1929. Along with a good crop harvested in Ukraine and North Caucasus, the chief producers of winter wheat, the eastern section of the Union - has a satisfactory spring wheat crop. Crop conditions in Siberia appear to be for a yield above average, notwithstanding rainy weather during the first half of September being not quite favorable to the part of the crop entering its maturing stage.

Weather conditions were not particularly favorable to the harvesting of the crop in the central section of European Russia, but no particular damage has been reported. Threshing has been delayed, and late threshing results in some regions may fall below early returns, on basis of which the crop is first estimated.

Procuring campaign

The Government procuring plan is reported fixed at one and a half times above that of the previous year which would mean about 21 - 22 million tons. Taking into consideration the larger gross crop and a 6 per cent increase in the commercial crop, in consequence of the greater share of the Government and Collective farms in the total crop, this figure may not be too high.

However, the Government procuring organizations have met with considerable difficulties at the outset of the new procuring campaign, with the nonexecution of the monthly procuring plans in July and August now being followed by a nonexecution of the September plan as well. The expectation of the procuring organization that less energetic efforts to procure the grain would be necessary this year due to the large share of the socialistic sector are thought to be the outstanding cause for the slow pace of the new campaign; the procuring organizations are accused of waiting for the grain to come in of its own accord and of not doing anything to ensure the success of the plan.

The way things stand at present, the situation appears distinctly unfavorable, particularly as the Government intends to finish the 1930-31 grain procuring campaign by December 15. It should be remembered, however, that procurings were also slow a year ago, and the total yearly plan was not only executed to the full extent, but even surpassed at the end.

Mr. L. G. Michael, Agricultural Commissioner recently located at Belgrade to report on conditions in the Danube Basin, cabled October 13 that shipments of grain were very slow on account of low prices. He also stated that it is reported that Russian port elevators are full of grain of good quality but officials have promised to discontinue exports and make early inland shipments to distressed cities. Recent trade reports indicate that Russia is continuing to export.

Mr. Michael states that conditions are favorable for seeding winter wheat in South Bulgaria and Yugoslavia; also that about the normal amount of fall plowing has been done except in Rumania where there has been some delay on account of droughty conditions. Fall plowing in the Caucasus region of Russia is expected to be about the same as last year.

Table 14. - United States: Imports and exports of wheat including flour

Item	July 1, 1929		July 1, 1930	
	to		to	
	Sept. 28, 1929		Sept. 27, 1930	
	1,000 bushels		1,000 bushels	
EXPORTS:				
Wheat	31,592		41,844	
Flour in terms of wheat . . .	14,600		15,304	
Total	46,192		57,148	
IMPORTS: (July and Aug.)				
Wheat	1,451		2,688	
Flour in terms of wheat . . .	1		1	
Total	1,452		2,689	
NET EXPORTS:				
Wheat	30,141		39,156	
Flour in terms of wheat . . .	14,599		15,303	
Total	44,740		54,459	

Table 15.-Wheat, including flour: Shipments from principal exporting countries

Country	Total shipments or exports		Shipments, week ended			Total shipments or exports from July to and incl. Oct.	
	1928-29	1929-30	1/Sept. 20	Sept. 27	Oct. 4	1929-30	1930-31
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels	bushels
North America 2/.....	499,942	301,342	9,512	9,353	6,389	83,377	119,379
Canada 4 markets 3/.....	458,649	193,580	7,724	11,562	8,768	49,738	92,640
United States	163,687	149,822	3,996	3,998	2,757	52,478	59,904
Argentina	217,139	160,782	966	547	879	64,871	12,449
Australia	107,937	60,844	1,752	1,320	1,312	14,156	15,592
Russia	8	5,672	2,768	1,208	3,966	0	17,870
Danube & Bulgaria 4/....	33,975	18,640	432	1,646	632	4,960	6,358
British India	5/5,687	4,171	264	56	0	1,717	5,080
Total 6/	864,688	551,451	15,694	14,130	13,178	169,081	176,728
Total European ship. 7/	705,396	410,443	15,238	15,512	---	137,008	160,096
Total ex-European : : : : : : : :							
shipments 7/	220,664	141,904	2,920	2,512	---	40,874	24,064
Compiled from official and trade sources. 1/ Preliminary. 2/ Bradstreet's, weeks ending Thursday, including flour converted at 4.5 bushels per barrel.							
3/ Fort William, Port Arthur, Vancouver and Prince Rupert. 4/ Hungary, Yugoslavia, Rumania and Bulgaria. 5/ Net imports for year 1928-29 were 21,729,000 bushels.							
6/ Total of trade figures include North America as reported by Bradstreet's.							
7/ Totals as reported by Broomhall's Corn Trade News.							

Table 16.-Wheat, including flour: Exports from principal exporting countries, July, August, September, 1929 and 1930

Country	July		Aug.		Sept.	
	1929	1930	1929	1930	1929	1930
	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels
United States	13,784	13,377	17,333	24,413	18,568	15,753
Canada	20,779	22,833	13,051	20,462	9,626	31,122
Argentina	14,463	1/4,892	25,292	1/3,812	19,834	2,866
British India	575	1/2,448	768	1/1,880	374	752
Australia	4,346	1/6,324	5,264	1/4,812	4,445	5,456
Russia 1/.....	0	896	0	6,232	0	6,776
Danube & Bulgaria 1/ :	456	408	501	1,366	3,008	3,950
Total	54,403	47,854	62,217	62,979	55,855	71,169
Compiled from official and trade sources.						
1/ Preliminary						

Table 17.- United States: Exports of wheat and wheat including flour by weeks, 1929 and 1930.

Week ended:	Wheat		Wheat flour		Wheat including flour	
	1929	1930	1929	1930	1929	1930
	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	barrels	barrels	bushels	bushels
July 5....	1,202	1,541	105	131	1,696	2,157
12....	839	825	243	111	1,981	1,537
19....	1,551	3,962	180	209	2,397	4,941
26....	3,558	2,782	290	175	4,921	3,604
Aug. 2....	1,752	3,827	151	228	2,472	4,899
9....	2,578	1,888	144	145	3,355	2,570
16....	3,685	2,704	210	242	4,872	3,841
23....	4,493	3,104	187	295	5,372	4,190
30....	5,004	6,361	186	205	5,873	7,325
Sept. 6....	2,358	3,386	154	125	3,582	3,974
13....	3,485	2,451	217	303	4,505	3,875
20....	3,087	3,060	266	309	4,337	3,906
27....	1,377	2,367	270	347	2,646	3,998
Oct. 4....	1,329	1,352	205	299	2,793	2,757

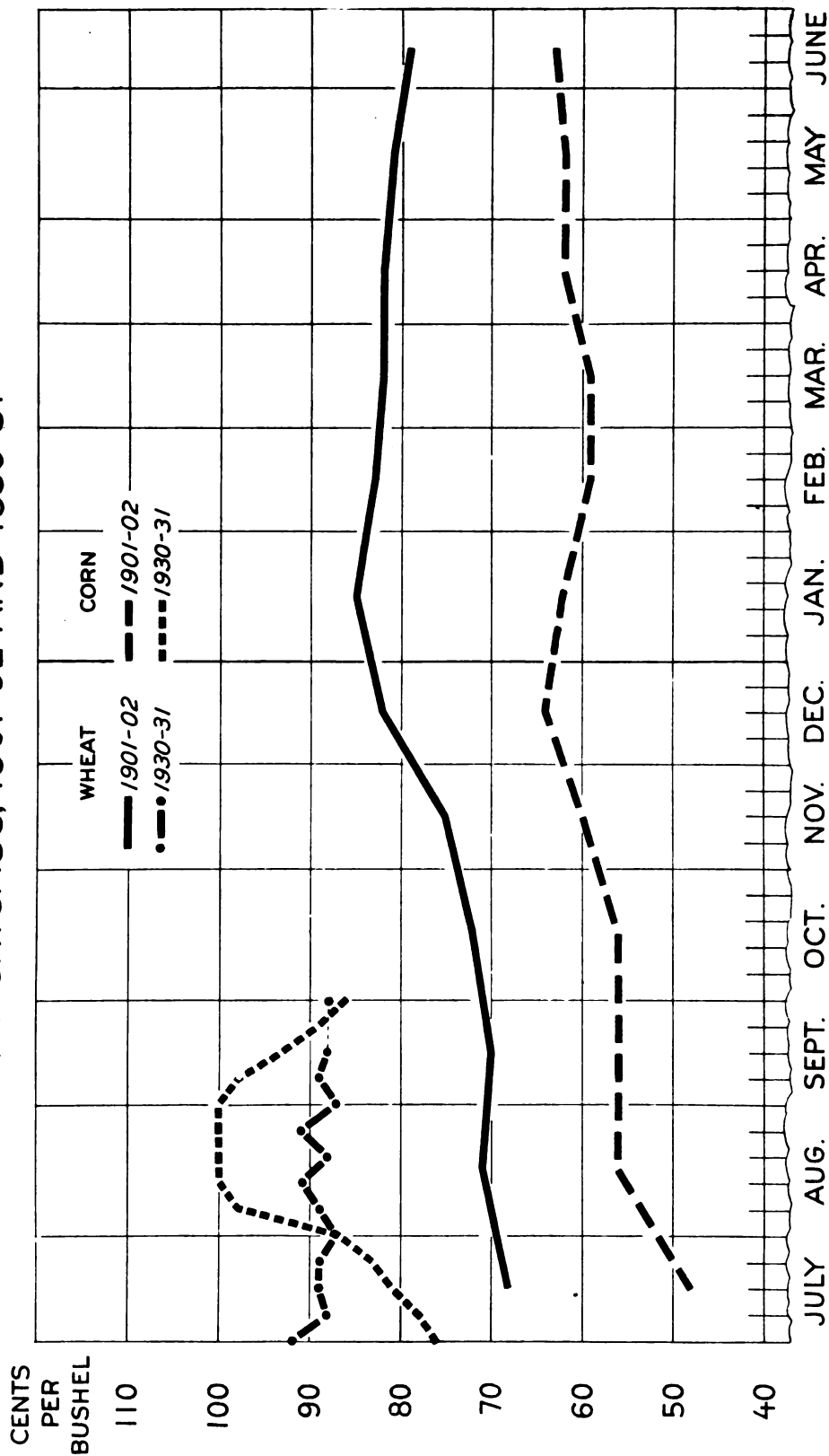
Compiled from weekly report of the Department of Commerce.

Table 18.- Wheat including flour: Shipments from principal exporting regions, specified dates, 1929 and 1930.

Date	Argentina		Australia		Danube		North America	
	1929	1930	1929	1930	1929	1930	1929	1930
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels	bushels	bushels
July 5....	3,328	1,624	1,534	1,508	120	80	4,342	3,354
12....	4,312	780	1,176	1,000	0	168	11,140	3,084
19....	3,996	1,336	1,160	1,064	120	136	6,446	3,759
26....	2,338	420	1,272	1,304	8	24	5,675	9,107
Aug. 2....	2,620	732	592	1,444	208	0	7,998	8,283
Aug. 9....	3,968	1,336	1,568	1,716	16	336	5,586	8,538
16....	5,686	923	1,516	852	144	136	6,728	9,364
23....	6,934	516	1,352	1,428	160	472	5,045	10,012
30....	5,144	1,032	800	316	184	424	5,092	10,340
Sept. 6.....	5,950	461	1,704	512	120	592	4,000	8,212
13.....	3,631	832	1,400	560	928	1,280	7,280	10,063
20.....	5,309	963	1,040	1,752	784	132	3,743	9,512
27.....	3,241	547	603	1,320	1,176	1,646	5,053	9,353
Oct. 4.....	5,232	879	513	1,312	242	632	4,649	6,369

Compiled from official and trade sources.

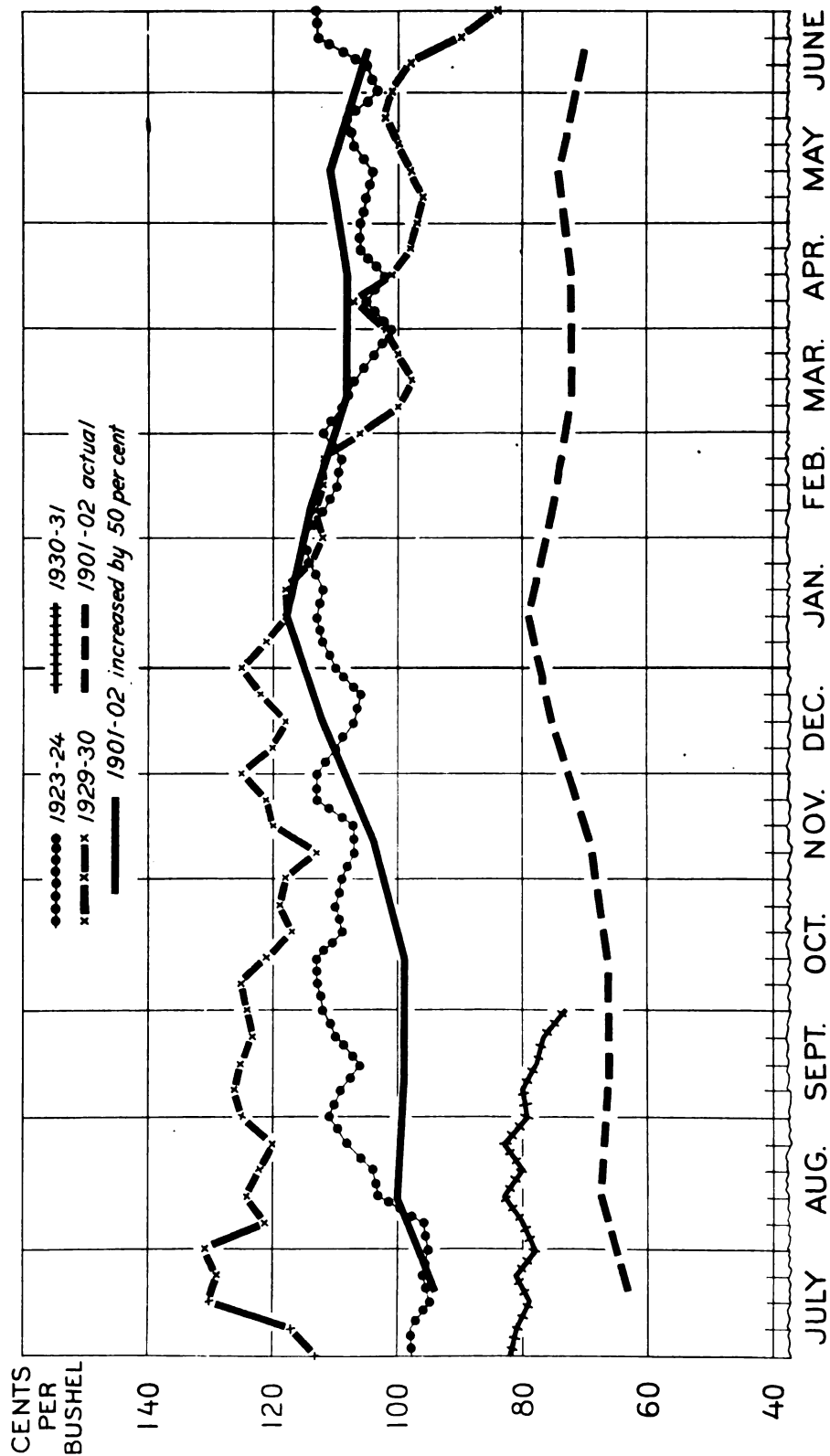
PRICE OF NO. 2 RED WINTER WHEAT AND NO. 3 YELLOW CORN AT CHICAGO, 1901-02 AND 1930-31



U S DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS

WHEAT: PRICE OF NO. 2 HARD WINTER AT KANSAS CITY, 1901-02, 1923-24, 1929-30, AND 1930-31



U. S. DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

LR

WH-55

November 22, 1930

WORLD WHEAT PROSPECTS

Wheat prices have reached a low level and some improvement is likely as business conditions become more stable, but a continuation of large shipments from Russia with the harvesting of new crops in the Southern Hemisphere will tend to prevent any marked advance in prices in world markets. The favorable factors in the outlook are the reduction in visible supplies in the United States, general indications of the feeding of large amounts of wheat, the prospect of checking the Canadian movement within a few weeks by the freezing up of the Great Lakes, a small amount of old wheat remaining in Argentina, the poor quality and smaller supply of wheat in Europe outside of Russia, and the fact that the declining phase of the general, world-wide financial and business depression has already continued about as long as is usual for such major depressions. On the other hand, the prospect of continuing exports from Russia and large supplies of new wheat to be harvested within the next few weeks in the Southern Hemisphere, together with the depressed conditions that are likely to continue for some time in many countries, will tend to check any marked advances in prices in world markets.

Reports as to demand and supply conditions during the past month do not seem to require any change in the conclusion of a month ago that the world's production outside of Russia and China would amount to about 3,650,000,000 bushels, about 4.6 per cent larger than in the past season; and that the world's consumption probably would exceed production and thus make some further reduction in the carryover of wheat at the end of the season.

The shipments of wheat from surplus producing countries continue at a greater rate than in the past season. The raising of tariff duties and milling requirements in Europe accompanying the marketing of the domestic crop tended to check the imports and consumption of foreign wheat in October. The result was some increase in port stocks. Large Russian shipments contributed largely to the increase in Continental port stocks. Domestic supplies are probably being used up more rapidly than in the past season and the result will be a stronger demand in the deficit countries for imports during the latter half of the season. Conditions are also favorable for heavier imports in the Orient.

During the first four months of the season the United States exported more wheat and flour than in corresponding months of the previous season, and also imported more wheat from Canada. The exports of wheat as grain amounted to nearly 50 million bushels compared with 43 millions in the corresponding period a year ago, an increase of nearly 7 million bushels; but the increase in imports reduced the net to an increase of only about 3 million bushels. Recently the relation of prices in the United States to foreign markets has had a tendency to check exports. Conditions, however, continue to encourage the feeding of large amounts of wheat within the United States. A large carryover and favorable harvest conditions built up a large visible supply which reached its peak late in September. Since that peak was reached, the visible supply has been reduced about 15 million bushels. While the feeding of wheat has been largely on the farms producing it, undoubtedly considerable quantities of wheat have been shipped from central markets to be fed and have thus contributed to a reduction in the visible supply.

Table 1.-Wheat: Production, average 1909-1913, 1923-1927, annual 1928-1930

	Average	Average				Percentage
Countries reported:	1909-	1923-	1928	1929	1930	1930 is
in 1930 1/	1913	1927				of 1929
	1,000	1,000	1,000	1,000	1,000	
	bushels	bushels	bushels	bushels	bushels	Per cent
United States	690,108:	809,668:	914,876:	805,790:	839,612:	104.2
Canada	197,119:	403,714:	566,726:	304,520:	395,854:	130.0
Mexico	2/ 11,481:	11,090:	11,031:	11,333:	11,274:	99.5
Total N.						
America (3) ...	898,708:	1,224,472:	1,492,633:	1,121,643:	1,246,740:	111.2
Europe (23)	1,321,341:	1,215,922:	1,370,606:	1,406,499:	1,313,959:	93.4
North Africa (2) ..	28,385:	59,930:	67,176:	77,223:	58,607:	75.9
Asia (3)	382,374:	381,986:	330,271:	359,546:	424,932:	118.2
Total Nor. Hem.						
Countries (32)	2,660,808:	2,882,310:	3,266,686:	2,964,911:	3,044,238:	102.7
Australia	90,497:	136,604:	159,679:	126,477:	214,000:	169.2
Total above						
countries (33):	2,751,305:	3,018,914:	3,426,365:	3,091,388:	3,258,238:	105.4
Est. world total:						
excl. Russia and:						
China	3,041,000:	3,451,000:	3,973,000:	3,491,000:	3,650,000:	104.6
Russia	757,347:	674,387:	795,235:	702,851:	1,157,400:	164.7

1/ Figures in parenthesis indicate the number of countries included.

2/ Four-year average.

Table 2.-Wheat, including flour: Shipments from principal exporting countries

Country	Total shipments or exports	Shipments, weeks ending	Total shipments or exports from July 1 to and incl. Nov. 8
	1928-29:1929-30 1/	Oct. 25: Nov. 1: Nov. 8:	1929-30:1930-31
	1,000	1,000	1,000
	bushels:	bushels:	bushels:
North America 2/...	499,942:301,342	6,980: 8,820:	6,851:112,029:157,346
Canada 4 markets 3/:	458,649:193,380	7,133: 8,739:	7,271: 84,533:138,619
United States	163,687:149,822	1,869: 1,926:	2,145: 66,430: 74,178
Argentina	217,139:160,782	1,392: 736:	603: 79,607: 17,190
Australia	107,937: 60,844	1,784: 1,768:	1,848: 16,498: 24,928
Russia	8: 5,672	5,808: 3,504:	5,040: 0: 41,200
Danube & Bulgaria 4/	33,975: 18,640	336: 144:	528: 9,064: 8,174
British India	5/5,687: 4,171	40: 40:	168: 2,223: 5,504
Total 6/	864,688:551,451	16,340: 15,012:	15,011:219,421:254,342
Total European			
ship. 7/	709,396:490,488	15,456: 13,016:	----:183,696:227,184
Total ex-European			
shipments 7/.....	220,664:141,904	3,056: 2,712:	----: 52,874: 37,520

Compiled from official and trade sources. 1/ Preliminary. 2/ Bradstreet's, weeks ending Thursday, including flour converted at 4.5 bushels per barrel. 3/ Fort William, Port Arthur, Vancouver and Prince Rupert. 4/ Hungary, Yugoslavia, Rumania and Bulgaria. 5/ Net imports for year 1928-29 were 21,729,000 bushels. 6/ Total of trade figures include North America as reported by Bradstreet's. 7/ Totals as reported by Froomhall's Corn Trade News.

Table 3.- United States: Imports and exports of wheat including flour

Item	July 1, 1929	July 1, 1930
	to	to
	October 31, 1929	October 31, 1930
	1,000 bushels	1,000 bushels
EXPORTS:		
Wheat	43,174	49,572
Flour in terms of wheat	22,264	22,461
Total	65,438	72,033
IMPORTS: (July - Sept.)		
Wheat	1,849	5,474
Flour in terms of wheat	1	1/
Total	1,850	5,474
NET EXPORTS:		
Wheat	41,325	44,098
Flour in terms of wheat	22,263	22,461
Total	63,588	66,559
1/ Less than 500 bushels..		

Table 4.-Wheat: Commercial stocks of domestic wheat in store in principal United States markets

Week ended on specified date, 1930, and the corresponding weeks in 1928 and 1929:		1928	1929	1930
		Million bushels	Million bushels	Million bushels
Aug.	2	63	136	182
	9	73	157	173
	16	83	172	184
	23	88	180	195
	30	94	187	201
Sept.	6	97	189	204
	13	101	193	214
	20	109	196	218
	27	115	198	224
Oct.	4	121	199	221
	11	129	201	219
	18	135	201	216
	25	138	203	215
Nov.	1	139	202	211
	8	140	200	210
	15	138	198	211
	22	139	193	
	29	140	190	
Dec.	6	140	189	
	13	141	188	
	20	142	188	

Figures supplied by Market News Service, Hay, Feed and Seed Division.

Canada

The Canadian government has increased its estimate of the Canadian wheat crop to nearly 596 million bushels, as compared with 305 millions harvested a year ago and 567 millions harvested in 1928. The final out-turn of the Canadian wheat crop is still quite uncertain. In the presence of conditions such as prevailed during the past season it is very difficult to obtain an accurate estimate of acreage and also of average yields. Conditions were favorable to early harvesting in Canada as in the United States, and marketings during the first two months of the season were unusually large, but if the crop turns out to be as indicated by the latest official report, the percentage of this crop marketed in the first three months of the season was somewhat smaller than that of the previous crop. It is reported that snow stopped threshing with about 50 million bushels of Canadian wheat unthreshed. It is also expected that large amounts of Canadian wheat will be fed. Considering all available information, it appears quite likely that the marketings from the 1930 Canadian crop will be considerably less than would ordinarily be expected from the latest official Canadian estimate of production.

Prices in Canada are very low. The Pool has reduced advances from 60 to 55, and then to 50 cents per bushel, basis Winnipeg. These low prices will tend to encourage the feeding of wheat in Canada as in the United States. The supply of feed grains in Canada is not short, however, and the prices of these grains are also low. Undoubtedly the low prices for the present season will tend to check the expansion of wheat production in Canada. A substantial reduction in winter wheat seedings is reported, but the winter wheat area is unimportant. The significance of recent low prices to farmers in Western Canada is shown statistically in an attached Table.

Table 5.—Prices of a binder, a gang plow and a wagon in bushels of wheat, in Canada, 1903, 1913, 1914, 1926 and 1930 1/

Date	Wheat price		Binder, 8 foot		Price of implement		Wagon, 3½ x 3	
	Winnipeg, cash	Calgary, No. 1 Nor	net to basis in shipper	store Ft. William	4-horse hitch	Plow, 14 inch	two furrow gang	
	Cents	Cents	Dollars	Bushels	Dollars	Bushels	Dollars	Bushels
Oct. 22, 1906	74.25	54.85	175.00	319.0	85.00	154.9	85.00	154.9
Oct. 21, 1913	79.12	59.72	190.00	318.0	95.00	159.0	130.00	217.7
" " 1914	117.25	97.85	190.00	194.0	95.00	97.0	130.00	132.9
" " 1926	148.00	127.40	295.00	231.5	157.50	123.7	188.00	147.6
" " 1930	72.62	52.02	287.00	551.5	151.50	291.0	186.50	358.5

Division of Statistical and Historical Research. Rearranged from the U. F. A.,
(Official organ of the United Farmers of Alberta and other Provincial Marketing
Pools) 9:732, Nov. 1, 1930.

1/ No account has been taken in the Table above of the fact that much of the wheat delivered is of lower grades than No. 1 Northern. The actual number of bushels of wheat of average grade required to purchase the implements or wagon would in each case be considerably greater than the figure given in the last column.

Table C.-Canada: Distribution of the wheat crop, 1929-30
and 1930-31.

Item	1929-30	1930-31
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
Carryover, July 31	104,383	111,093
Production	304,520	395,854
Imports	1,010	(1,000)
Seed	44,500	(44,000)
Food	44,000	(44,000)
Unmerchantable grain	7,100	(50,000)
Loss in cleaning and excess feeding	9,136	()
Balance for export or carryover	305,117	370,547
Exports :	:	:
Aug.	13,051	20,462
Sept.	9,626	31,122
Oct.	23,215	33,446
Balance, Nov. 1	259,225	285,517

Compiled from official reports, except figures in parenthesis which are rough estimates.

Argentina

The approach of the new harvest in the Southern Hemisphere focuses attention upon Argentina and Australia. On the whole, weather conditions have been favorable for the development of the crop in Argentina, but recent reports of rust indicate some uncertainty as to the final outturn. Weather conditions through October indicated a yield of about 11.5 to 12.5 bushels per acre. The latest official estimate of area is 21,316,000 acres, and this would produce a crop of 245 to 265 million bushels. In recent years, however, yields indicated by weather conditions upon the officially estimated acreage have had a tendency to fall short of the final outturn of the crop. Making some allowance for the possibility of this tendency continuing into the present season, would lead to an expectation of a crop of about 270 to 300 million bushels. Persistent reports of rust, however, together with the high temperatures of late October and early November which would tend to increase rust damage, lead to the belief that rust may cause some reduction in both the quantity and quality of the crop.

Apparently the supply of old wheat remaining on hand in Argentina as of November 1 was about 25 million bushels less than on the corresponding date of a year ago. The accuracy of this figure, however, remains to be checked by exports during the next two months and the carryover at the end of the season.

Table 7.-Argentina: Distribution of the wheat crop, 1929 and 1930

Item	1929	1930
	1,000 bushels	1,000 bushels
Carryover, Jan. 1	12,746	25,000
Production	350,000	160,000
Home consumption	85,980	85,000
Balance for export or carryover	276,766	100,000
Exports:		
Jan.	22,607	12,721
Feb.	27,541	11,333
Mar.	29,861	10,037
Apr.	22,381	11,042
May	24,218	7,429
June	25,391	11,845
July	14,463	2,615
Aug.	25,292	3,812
Sept.	19,834	2,866
Oct.	17,322	4,271
Balance, Nov. 1	47,856	22,026
Exports:		
Nov.	8,308	
Dec.	12,712	
Balance, Jan. 1	26,836	

Exports compiled from official sources except as otherwise noted.

1/ International Institute of Agriculture.

3/ Trade sources.

Australia

Reports continue to indicate a large Australian crop. The latest estimate is about 214 million bushels and weather conditions reported to date tend to confirm this estimate. The harvest has begun, but the final out-turn of the crop is still subject to some extent to weather conditions during the next few weeks.

Australian producers held their wheat for a time after harvest, and the supply of old wheat on November 1 was probably about equal to that of the corresponding date in the previous season. Shipments during recent months have been large and are likely to continue large to clear the way for the marketing of a large new crop.

Table 8.-Australia: Distribution of the wheat crop, 1929 and 1930

Item	1929	1930
	<u>1,000 bushels</u>	<u>1,000 bushels</u>
Carryover, Jan. 1	(7,000)	(10,000)
Production	159,679	126,477
Home consumption	(50,000)	(55,000)
Balance for export or carryover	116,679	81,477
Exports :		
Jan.	18,594	6,598
Feb.	16,564	6,918
Mar.	16,029	9,371
Apr.	11,574	4,599
May	7,808	6,202
June	6,975	5,336
July	4,346	4,265
Aug.	5,264	4,812
Sept.	4,445	4,144
Oct.	1,930	7,800
Balance, Nov. 1	23,150	21,432
Exports :		
Nov.	2,409	
Dec.	4,485	

Exports compiled from the Monthly Bulletin of the International Institute of Agriculture, except as otherwise noted.

1/ Trade estimates.

Russia

Apparently the Russian wheat crop is the largest since the war and may be about equal to the largest pre-war crop harvested by that country. Shipments of wheat through the Black Sea ports to date have amounted to about 50 million bushels, and weekly shipments continue large. Estimates of exports for the season now range from about 75 to 100 million bushels. This would largely offset the reduction in the European wheat crop outside of Russia.

Agricultural Commissioner Steere of the Berlin office of the United States Department of Agriculture submits a special report on the Russian wheat situation which, with some editing to bring it up to date, follows:

The attention of the entire grain world has been focussed on the Black Sea ports of Southern Russian during October. Since early in September South Russian grain shipments, particularly of wheat, have been showing a pronounced upward tendency and reached unexpectedly large proportions during October. Total shipments of Russian grain from the Black Sea from July 1, 1930 to October 29, 1930 were distributed as follows:

Wheat	37,956,000 bushels	1/
Barley	21,265,000 bushels	
Rye	4,409,000 bushels	
Oats	1,102,000 bushels	
Corn	197,000 bushels	

Some additional grain has also moved through the Baltic ports, though the amount has been relatively small.

This heavy movement of Russian grain, and uncertainty as to its probable duration, has been a most unsteady factor in European wheat markets and promises to continue to influence prices until its probable future tendency becomes more apparent. The chartering of Black Sea tonnage has now been declining for several weeks and there have been reports of efforts to cancel some contracts already made, though this has not been confirmed. It has also been indicated recently that difficulties were being experienced at the ports through failure of grain arrivals from inland points to reach expectations; also that port loading facilities have been taxed to the utmost with considerable tonnage being loaded only with delay. While these facts and the approach of winter appear to foreshadow the recession of exports in the next few weeks, it should be noted that Russian grain sales offices have recently been opened at various markets in Italy, with headquarters in Genoa, and that a high Russian official has been designated to handle problems arising at the Black Sea ports in connection with grain exports, which may indicate that considerable grain is still to be moved between now and the setting-in of winter. The use of ice-breakers might enable maintenance of South Russian shipments for a good share of the winter, if the grain is available.

Estimates of possible Russian wheat exports this season still vary greatly, though it now seems definitely established that the wheat crop was excellent this year. A private report from a source regarded as reliable indicates that the Soviet authorities have control of enough wheat to enable

1/ Black Sea shipments of wheat during the two weeks ended November 12, 1930 were 12,603,000 bushels. Shipments during the week ended November 12 were 7,569,000 bushels, the largest of the season.

exports of as much as 110,000,000 bushels, but that a decision as to whether this much grain will be exported depends upon the outlook next spring, i.e., whether the winter sowing plans have been carried out successfully and whether the crop has come through the winter without serious winter kill. The President of the London Corn Trade Association recently estimated Russian exports at 110,000,000 bushels, but this figure appears to be without any definite foundation at the present time. A high official of the Commissariat of Trade in the USSR, in fact, recently stated "our wheat exports will probably not reach 7/8 per cent of this year's total world wheat exports", which would mean a figure even below 75 million bushels. The fact that wheat exports have already exceeded 35 million bushels make it seem possible that 75 million might be reached, although the setting-in of winter in the near future could easily result in sharp curtailment of the export movement. It should again be emphasized, however, that the amount of wheat and other grain that Russia will export this year will be determined as much by financial and other considerations of the Soviet authorities as it will by internal grain market or world market conditions.

The 1930 Procuring Campaign

This year's procuring campaign continues to lag behind the plan to a rather marked extent, but in view of the large increase of the plan itself (50-60 per cent), this apparent failure loses much of its significance. The volume of procurings is materially above last year, according to all reports, the increase as of October 20 being indicated as about 40 per cent, with a large share of the grain procured consisting of bread grain, particularly wheat.

Procurings during October are reported as 67 per cent of the monthly plan and procurings for the season, July 1 through October 31, as 65 per cent of the yearly plan compared with 75 per cent on the same date last year. The execution of the October plan would have appeared much higher if the plan had not been increased by 25 per cent in order to offset the failure to attain the September plan.

The course of procurings to date indicates that the Soviet Government will not succeed in its intentions to complete the planned procuring by December 1 or December 15, unless there is an early and drastic sharpening of measures designed to push the campaign to a close. It does not appear to us, however, that the present status of procurings connote any real danger to the Government's ability to proceed with large export shipments if it sees fit to proceed with them. The last half of the season is the most difficult in which to carry on procuring because of bad weather, roads, lack of handling facilities, etc., but it is believed that the authorities can, and will not hesitate to repeat again the drastic measures used in the past if necessity arises. It is important to note that the most of the Soviet or State farms had relatively large crops this year, and this volume of grain gives the authorities a considerable nucleus to work with, while it also appears that the procuring plans for collective farms have yielded well in some important regions.

Autumn seeding

The area of winter grains seeded to November 10 is estimated at 96 million acres, compared with the 1929 winter area of 97,400,000 acres. Autumn seedings had practically ended by the middle of October in the Northern, Central and some Eastern regions where rye is important, but continued in the Southern regions where wheat is important. Apparently between October 25 and November 10 about 7 million acres were added, mostly wheat. Of the total area of about 96,000,000 acres which had been seeded to October 25, 22,200,000 were by collectives, 62,800,000 by individuals, and 3,800,000 acres by State farms. (It will be noted that the individual peasant or farmer still has in hand the large bulk of the wheat production of Russia.)

The Orient

The market outlook in the Orient is improving. Shanghai millers have placed orders in the United States, Canada, and Australia for more than 8,000,000 bushels of wheat and these are indications that additional purchases of about 5,000,000 bushels will be made according to a cable to the Foreign Service of the Bureau of Agricultural Economics from Agricultural Commissioner P. O. Nyhus at Shanghai. Arrivals and stocks of domestic wheat at Shanghai have become so small that millers are now using about 80 per cent foreign wheat. Some foreign wheat has arrived at Shanghai, but mills are operating considerably below capacity pending the arrival of additional quantities of foreign wheat in December.

Prices of Australian wheat, especially old crop wheat, became very attractive in October and 2,500,000 bushels have been contracted for at 77 cents per bushel. This order is in addition to the order for nearly 3,000,000 bushels placed earlier in the season. A small order for American western red was placed on November 11 following the decline in American prices, but aside from this there have been no additional purchases of American or Canadian wheat reported during the past month. Millers, however, will need some of the higher gluten wheat from either Canada or the United States to blend with Australian wheat and business may develop from the lower prices quoted the last few days. Canadian No. 3 is now quoted at 76 cents per bushel and American Western Red No. 2 at 77 cents per bushel.

Flour prices have declined in sympathy with wheat prices, but millers state that it is especially difficult to sell low grade flour. The movement of flour to north and south China ports, however, is quite satisfactory.

Tientsin

There appears to be a growing interest in the Tientsin market for American and Canadian wheat flour for January and February shipments although business up to the present has not been heavy, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from Consul General Gauss at Tientsin. The inward movement of wheat flour at Tientsin increased considerably during October due to the delivery on old orders and to the desire of importers to augment stocks before winter lightering rates become effective.

The arrivals of wheat flour at Tientsin during October were estimated at 230,000 barrels compared with 75,000 barrels in September. The arrivals during October by countries of origin were as follows: from the United States 22,500 barrels, Canada 17,500, Japan 100,000 and from Shanghai 90,000 barrels.

The production of flour at local mills continued at a high level during October amounting to approximately 144,500 barrels. Stocks of flour at the end of the month were estimated at 285,000 to 290,000 barrels as compared with only 100,000 to 125,000 barrels on September 30.

Flour prices for spot delivery at Tientsin fell 19 cents per barrel during October. The average wholesale price of wheat flour, exwarehouse, at Tientsin on October 31 in bags of 49 pounds net was as follows: American \$4.00, Canadian \$3.58, Japanese \$3.92, Shanghai milled \$3.81 and Tientsin milled \$4.26. The corresponding prices on September 30 were, American \$4.15, Canadian \$3.92, Japanese \$4.03, Shanghai milled \$3.99 and Tientsin milled \$4.37.

Tokyo

Consul Carrels at Tokyo cables that the Japanese market outlook is poor. Mills are active but the prospects for selling wheat in Japan are only fair because of the cheaper quotations on Canadian and Australian wheats.

Europe

The European wheat crop outside of Russia is probably 100 to 140 million bushels less than a year ago. The official estimates received from 23 countries total 1,314 million bushels as compared with 1,406 million bushels harvested in the past season. Some of the official estimates are still subject to revision. The Berlin office of the Department still believes that the Continental European crop is about 140 million bushels less than in the past season.

The European potato crop is somewhat smaller than that of the past season. Germany and Austria have large crops but many of the other countries have small crops. The total European crop outside of Russia is at least 6 per cent less than a year ago. Later reports probably will show a greater reduction.

The total production of feed grains, corn, barley and oats, reported to date, amounts to nearly 55 million tons, a reduction of 18.4 per cent from the large crops of the past season. The reduction in domestic supplies is being made up to some extent by larger shipments from Russia. Europe, however, has more livestock to feed and smaller available feed supplies with which to feed them. A few countries have increased their domestic wheat milling requirements and raised duties to reduce imports and strengthen domestic market prices. With shorter crops these measures are being more effective than in the past season in raising domestic prices. This is particularly

true of France where in the past season a large crop held down prices in spite of high duties and high domestic millin^g requirements. These measures probably will have more effect upon imports during the first half of the season than in the latter half. Consumption of wheat in a few countries may be reduced by the higher prices and restrictions upon consumption, particularly in Germany where the supplies of rye and potatoes are large. The reduction in feed supplies in some of the other countries, however, will tend to offset the effect of higher wheat prices upon consumption.

Table 9.-Wheat and flour: Shipments to the Continent, United Kingdom and Orders, August 1 to October 30, 1928, 1929 and 1930

Item	Aug. 1 - Oct. 30		
	1928	1929	1930
	1,000	1,000	1,000
	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
Shipments to the Continent			
Four weeks ending:			
Aug. 28	32,000:	14,360:	25,600
Sept. 25	32,960:	14,240:	28,160
Oct. 30	31,240:	13,840:	23,240
Aug. 1 to Oct. 30 <u>1/</u>	104,400:	51,360:	81,760
Shipments to United Kingdom	44,960:	46,800:	44,360
Orders	13,360:	32,640:	46,161
Total	162,720:	137,800:	172,281

1/ Including the week ended October 2, not contained in the above 4 week figures.

Table 10.-European stocks of wheat the middle of September and October, 1929 and 1930

Position	1929		1930	
	Middle	Middle	Middle	Middle
	of	of	of	of
	Sept.	Oct.	Sept.	Oct.
	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels
Antwerp (visible)	2,377	1,448	1,880	3,775
Rotterdam	2,572	2,756	2,572	4,042
Germany (farm stocks)	103,100	84,300	102,600	83,700
Berlin (wheat and flour) .....1/	1,363	2/ 1,363	2,029	2,008
Hamburg (rough estimates)			550	698
Hungary (public warehouses) ...	3,123	4,593	3,380	4,409
United Kingdom (port stocks) ..	8,400	14,840	7,000	8,560
Total 3/	118,935	108,638	120,041	106,492

1/ September 30.

2/ October 30.

3/ Excludes stocks at Hamburg as data not available for 1929.

Wheat prices in world markets

Wheat prices are lower than a year ago in all surplus producing countries, but higher in some of the deficit countries. The lowest prices are in Canada. The average price for No. 3 Northern Manitoba in October was only 68 cents, which was 66 cents per bushel below the average of October, 1929. In Kansas City October prices for No. 2 Hard Winter averaged 48 cents under those of a year ago. In October 1929 prices in the United States were low relative to prices in Canada, but now they are relatively high. In October a year ago No. 1 Northern Spring in Minneapolis averaged 3 cents per bushel under No. 3 Manitoba Northern at Winnipeg, but in the past month it was 14 cents above. Prices in Argentina are lower than in this country, but not so low as in Canada. Russia is delivering wheat at European ports at low prices about on a par with wheat from Argentina. To observe, for example, that Russian wheat at Hamburg, November 13, was quoted at 72 cents when Argentine wheat at Rotterdam was quoted at 74 cents. No. 2 Hard Winter was selling at 4 cents above the Argentine wheat and No. 3 Manitoba 8 cents above, in the same market.

Prices changes in some of the deficit countries contrast strikingly with changes in the surplus producing countries. Prices in Liverpool, which is a free and open market, are in line with prices in surplus producing countries. But in the protected markets of Germany, France, Italy, and Austria prices are being held to a fairly high level in spite of the depression and the low prices of wheat in surplus producing countries. In Hamburg, for example, when Russian wheat was selling at 72 cents per bushel on November 13, domestic wheat was priced at 1.9. A smaller crop in France has made the tariff of that country more effective and on November 12 had raised the price to 23 cents above the average for October, 1929.

Prices in the Orient have dropped in line with changes in the surplus producing countries and in Liverpool. Perhaps larger domestic wheat and rye crops have also been a factor in reducing prices, particularly of domestic wheat.

Table 11.-Wheat: Price per bushel at specified markets, 1929 and 1930

Market and grade	1929		1930		
	Sept.	Oct.	Sept.	Oct.	Nov. (Latest quotation)
	Cents	Cents	Cents	Cents	Cents
United States:					
Kansas City					
No. 2 Hard Winter	124	122	78	74	67 - Nov. 15
Minneapolis					
No. 1 Nor. Spr.	135	131	87	82	70 - " "
St. Louis					
No. 2 Red Winter	135	132	88	87	84 - " "
Futures - December					
Chicago	139	131	85	79	73 - " "
Kansas City	153	125	79	73	66 - " "
Minneapolis	141	133	83	76	65 - " "
Winnipeg	151	142	81	74	59 - " "
Liverpool	145	136	95	84	74 - " "
Canada:					
Winnipeg					
No. 3 Man. Nor.	144	134	74	68	56 - " "
Argentina:					
Buenos Aires (near futures)	118	117	81	70	64 - " "
England:					
Liverpool - Parcels					
No. 3 Man. Nor.	162	146	93	86	86 - Oct. 30
No. 2 Hard Winter	140	129	94	82	82 - Oct. 13
Rosafe	134	122	92	82	80 - Oct. 30
Netherlands:					
Rotterdam					
Domestic	---	---	1/ 93	--	93 - Sept. 25
U. S. No. 2 Hard Winter	---	---	1/ 88	2/ 84	78 - Nov. 13
No. 3 Manitoba	---	---	1/ 92	2/ 89	82 - Nov. 13
Baruso (Argentine)	---	---	--	2/ 77	74 - Nov. 13
Germany:					
Berlin, domestic 3/.....	147	149	156	147	162- Nov. 12
Hamburg, " 3/.....	160	161	158	154	169- Nov. 13
Hamburg, Russian 4/.....	---	---	---	77	72 - Nov. 13
France:					
Paris, domestic	157	155		173	178- Nov. 12
Italy:					
Milan, domestic	175	184	182	174	168- Nov. 6
Austria:					
Vienna, domestic	---	---	95	91	90 - Nov. 6
Japan:	Sept. 1	Oct. 1	Sept. 1	Oct. 1	Nov. 1
Tokyo					
Domestic	---	---	122	107	104
U. S. West. White No. 2	174	168	128	120	120
Canadian No. 5	173	171	122	111	---
Australian	175	178	127	124	119

1/ September 25.

2/ October 23.

3/ Average of Wednesday quotations.

4/ Import duty of \$1.32 per bushel effective October 26; September 23 to October 26, \$1.20 and prior to September 23, 97 cents per bushel.

Table 12.- Wheat: Closing prices of December futures at stated markets, September 18 to December 4, 1929 and 1930

Date	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires
	1929	1930	1929	1930	1929	1930
	Cents	Cents	Cents	Cents	Cents	Cents
Sept. 18	139	87	133	81	140	85
25	137	85	131	77	141	82
Oct. 2	133	81	128	76	137	79
9	135	77	130	71	137	75
16	130	77	125	71	133	74
23	120	61	114	75	122	76
30	123	76	122	72	131	74
Nov. 6	123	74	117	68	126	71
13	116	74	111	67	120	68
20	124		118		127	
27	124		118		127	
Dec. 4	127		122		129	

1/ Prices are of day previous to other prices.

2/ October futures. 3/ February futures.

Table 13.- Wheat: Weighted average cash prices at stated markets, September 17 to November 26, 1929 and 1930

Week ended	All classes and grades	No. 2	No. 1	No. 2	No. 2	Western
	six markets	Kansas City	Minneapolis	Minneapolis	St. Louis	Seattle
	1929	1930	1929	1930	1929	1930
	Cents	Cents	Cents	Cents	Cents	Cents
Sept. 12	130	81	126	80	140	90
19	128	79	125	73	138	87
26	125	78	125	77	133	87
Oct. 3	126	74	124	75	138	85
10	128	77	125	75	137	85
17	125	75	121	73	134	82
24	119	77	117	76	127	83
31	121	75	119	74	129	81
Nov. 7	120	71	118	71	130	77
14	115		113		125	
21	123		120		150	
28	125		121		152	

1/ Weekly average of daily cash quotations basis No. 1 sacked 50 days delivery.

Table 14.-Wheat: Price per bushel at important world markets,
July - October, 1929 and 1930

Month	Liverpool Parcels 1/		Winnipeg 2/		United States 3/		Buenos Aires 4/	
	1929	1930	1929	1930	1929	1930	1929	1930
	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:
July	141	106	152	20	125	80	120	94
Aug.	142	108	152	88	123	81	120	95
Sept.	137	93	144	74	124	78	118	82
1st week	138	98	146	78	125	79	120	87
2nd week	138	98	149	78	126	80	121	86
3rd week	136	91	144	75	125	78	117	81
4th week	138	84	139	69	123	77	113	76
Oct.	136	88					117	70
1st week	141	85	137	68	124	73	113	74
2nd week	140	88	139	69	125	75	122	74
3rd week	137	84	134	66	121	73	119	68
4th week	127	88	129	66	117	76	114	69
5th week			130	66	119	74		

1/ Average of all parcels; from Broomhall's Daily Corn Trade News.

2/ No. 3 Northern Manitoba.

3/ No. 2 Hard Winter, Kansas City.

4/ Early Delivery futures; from the New York Journal of Commerce.

Table 15.-Wheat: Liverpool parcels price per bushel by classes,
July - October, 1929 and 1930

Month and week	No. 3 Northern Manitoba		No. 2 Hard Winter		Rosafé (62½ lbs.)	
	1929	1930	1929	1930	1929	1930
	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:
July (average)	164	109	143	103	140	103
Aug. (average)	170	119	144	105	140	108
1st week	179	110	147	106	143	108
2nd week	168	115	141	108	139	111
3rd week	168	102	146	104	142	107
4th week	164	102	140	103	136	105
Sept.						
1st week	163	100	142	100	138	102
2nd week	164	97	141	98	138	-
3rd week	161	94	139	96	135	-
4th week	158	90	136	90	127	89
Oct.						
1st week	155	89	134	88	124	85
2nd week	156	85	137	83	129	82
3rd week	154	86	134	-	128	81
4th week	147	86	128	-	122	80
5th week	147					

Broomhall's Daily Corn Trade News.

The Continental European wheat market situation during October 1930 1/

Continental wheat markets were characterized by generally reduced import and domestic business during October, though occasional periods of active import buying developed in some countries heavily dependent upon foreign grain. Business was relatively the best at the close of the month. Prices during October showed no uniform tendency, most markets indicating a downward inclination, but in France, and at the close of the month in Germany, prices moved upward. In both countries, the milling regulations and high tariffs, and in France the reduced crop, were back of the relatively greater strength apparent in these markets.

Generally speaking, the European market has exhibited rather surprising resistance during October, considering the inactivity of the markets, the heavy Russian offers and liberal Canadian sales, coupled with favorable crop reports from Argentina and Australia, as well as the heavy volume of shipments now en route to Europe, and the increasing tendency of stocks at several of the important European ports. The resistance of prices to these numerous depressing factors lends some strength to rumors that the amount of business reported from the various markets is not fully indicative of the actual volume of grain being sold. There have been reports that considerable amounts of wheat have been turned in "private treaty", or unreported sales, but no indication of how important such business has actually been. The firmer tendency of prices at the close of October has been supported by reduced pressure of Russian sales, coupled with reports of snow-cover in Canada and some rust in Argentina, but is undoubtedly based primarily upon increasing demand from the consuming countries, as European requirements are heavy, notwithstanding all the official measures to support domestic markets and curtail import requirements.

Table 16.- Wheat: Price per bushel at stated markets on the Continent,
September 3 - November 6, 1930

Date	:	Paris	:	Milan	:	Berlin	:	Prague	:	Vienna	:	Budapest
	:	Cents	:	Cents	:	Cents	:	Cents	:	Cents	:	Cents
Sept. 3	:	167.9	:	181.2	:	162.4	:	-	:	98.6	:	73.1
" 30	:	173.8	:	176.2	:	149.8	:	105.1	:	92.9	:	72.6
Oct. 9	:	172.7	:	176.2	:	148.5	:	105.1	:	90.9	:	74.5
" 16	:	168.5	:	174.8	:	145.9	:	105.1	:	90.9	:	72.4
" 23	:	174.9	:	174.8	:	143.9	:	105.1	:	91.9	:	72.4
" 30	:	174.9	:	171.9	:	151.7	:	107.1	:	90.9	:	71.2
Nov. 6	:	175.9	:	167.6	:	156.2	:	107.1	:	90.0	:	67.8

October has brought no significant change in estimates of this year's European wheat crop, the outturn still promising to be around 140,000,000 bushels less than in 1929 for Europe outside of Russia, even though there have been some slight increases recently in ideas of both quantity and quality of the crop in parts of Central Europe. On the other hand, official market supporting measures adopted in several countries during October, increases in

1/ Prepared by Agricultural Loyd V. Steere, Berlin, Germany, November 1, 1930; supplemented by cable of November 12, 1930.

the tariffs in Germany, Czechoslovakia and Estonia, and changes in the milling measures in Germany and Sweden, with prospects of other changes in Germany, Czechoslovakia, Belgium and Holland seem likely to have the effect of somewhat further reducing European import requirements this year. Of no immediate significance, but of more remote importance for European wheat markets, has been the further headway toward joint action of eastern European surplus countries in their preparatory efforts to bring pressure to bear on industrial western Europe to accord preferential treatment to these countries in the marketing of their surplus grain, as indicated by reports from the second conference at Bucharest and the recent conference of the International Agrarian Bureau at Prague. There has been as yet little tangible result of these conferences, but evidence is growing that the western European nations are showing more inclination to give consideration to these proposals.

A factor holding possibilities of considerable influence on the tone of the wheat market of Europe in coming weeks has been the tendency of port stocks to increase during October. The large and increasing shipments from overseas in September and October have been arriving at their destinations during a period when buying activity has been relatively light and the result has been a rather striking rise in the stocks at the important port markets, particularly Rotterdam and Antwerp. The recent large shipments of Russian grain have not found ready markets, and constitute an important share of the stocks in the latter two ports and in Italy, where private trade reports indicate a rather overbought condition in respect to foreign wheat and the probable accumulation of stocks, although figures are not available. Considering the current rate of imports in important consuming countries and prospects for the next two months, as well as the volume of grain now afloat, there seems to be a possibility of a further rise in stocks at Continental ports in weeks to come, unless unexpectedly large import activity develops. A significant rise in port stocks in the near future would undoubtedly exert pressure on wheat prices in Europe. This possibility seems to be strengthened by indications that stocks of imported grain within customs boundaries of the leading countries, though not large, are ample in relation to immediate requirements under the compulsory milling regulations now in force. Berlin, an important milling center for foreign wheat, had visible stocks considerably above last year at the end of September. On the other hand, stocks of domestic grain, without question, are being reduced at an unusually rapid rate by the compulsory milling regulations now in effect, though the reduced volume of exports from the Danube has probably resulted in retarded farm marketings in this region to some extent.

Germany

Practically all developments in the German wheat market during October point to the likelihood of Germany continuing as a small buyer of wheat for some time to come. The Government is holding steadfastly to its policy of supporting the domestic market with a high tariff and by the maintenance of a high compulsory milling percentage for domestic wheat. There is no definite indication of how long these conditions will last, but general opinion is that no great change is in prospect until after the turn of the year.

German wheat markets showed no uniform tendency in prices during the greater part of October in spite of the increase in the duty on wheat from

from \$0.97 to \$1.20 per bushel effective September 28. Berlin Quotations, in fact, were rather weak during much of the month, but when the duty was again boosted from \$1.20 to \$1.62 per bushel, there was a general though still relatively small rise in prices. That the tariff increases have been so little effective is due to the exceedingly small import buying activity during October. Marketing of native wheat was restricted because of the occupation of farmers with fall field work, and there was only limited buying interest for both domestic and foreign wheat on the part of mills and the trade. Reports from the import markets indicated generally dull October business, with only occasional purchases of Durums and Manitobas and virtually nothing in other descriptions. Flour markets reflected equal dullness throughout the month.

The recent increase in the tariff on wheat is the fifth undertaken by Germany in the current year and brings the effective rate up to more than twice the present world price level of wheat. The tariff alone is now even higher than native wheat on the domestic market. The changes in the German duty on wheat and barley in the past few years have been as follows:

Table 17.- Import duty rates per bushel of wheat and barley in Germany, stated periods

Period	Wheat	Brewing barley	Feed barley
	Cents	Cents	Cents
Pre-war	36	21	6
1925-1929	32	26	10
June 1929	42	26	10
Dec. 1929	49	47	26
Jan. 1930	62	47	26
Mar. 1930	78	62	52
Apr. 1930	97	78	52
May 1930	97	78	62
Sept. 1930	120	78	62
Oct. 1930	162	104	62

Although wheat prices have been rising since the latest advance in the tariff (the Berlin quotation on October 31 was 153.0 cents per bushel against 142.6 on October 25, the day before the new rate became effective) domestic quotations are far out of line with world prices plus the tariff. With foreign wheat at around 84 cents per bushel in Hamburg, native wheat, theoretically, should be bringing from 207 to 233 cents per bushel. The explanation why it is not, can be found almost entirely in the fact that relatively little import business is moving at rates recently in effect, and that under existing conditions Canadian and domestic wheat cease to be competitive. The share of foreign wheat permitted in mill mixes is so small that, as a practical matter, mills producing flour based on a foreign mix must use the full 20 per cent of foreign grain permitted irrespective of the price. Domestic wheat, therefore, does not come into question as a substitute in this share of the mix, and its price may be said to be based upon the demand for use in the 80 per cent share of the mix. The two grains thus become different products to all intents and purposes. Prices of

domestic grain, therefore, will tend to advance as the supply decreases. March futures advanced to \$1.78 and some further advance is probable, though trade reports indicate the unlikelihood of an advance to anything like a level warranted by the tariff, because of the uncertainty as to the length of time present tariff rates will be maintained. With a milling percentage of 80 per cent now in effect and practically the whole domestic crop available, import requirements are low, but later on the exhaustion of the domestic supplies will cause a rise in prices, larger imports and sooner or later probably a reduction in the tariff. How soon these developments will occur is difficult to foresee.

It is felt that the bread law, which became effective on August 15, is tending to increase rye consumption to some extent, but probably not as much as the Government had hoped. There is a possibility, however, that a further shift to rye will be effected if the compulsory mixture of rye flour with wheat flour, which is now under consideration, should be enacted into legislation, a development which, however, is not in prospect before December when the Reichstag again convenes.

Table 18.- Spot price per bushel of domestic wheat and rye in Germany, September 17 - November 6, 1930

Date	Wheat			Rye
	Hamburg <u>1/</u>	Breslau <u>2/</u>	Berlin <u>3/</u>	Berlin <u>4/</u>
	Cents	Cents	Cents	Cents
Sept. 17	154.9	149.8	151.7	113.1
24	152.3	150.4	150.7	96.8
Oct. 1	153.6	147.2	144.6	90.5
8	153.6	151.0	-	-
15	153.6	150.4	145.9	85.0
22	153.6	150.4	143.3	86.5
29	153.6	152.3	151.0	90.2
Nov. 6	157.5	153.6	154.9	90.2

1/ Wheat of any German district of at least 75.5 kg. per hectoliter.

2/ Wheat of any German district of at least 75.5 kg. per hectoliter in carloads of 10,000 kg.

3/ "Markischer" wheat of 75-76 kg. per hectoliter.

4/ "Markischer" rye of 70-71 kg. per hectoliter.

German imports of wheat in September amounted to 4,465,000 bushels against 3,286,000 bushels in the preceding month and only 2,446,000 in September 1929. This amount appears to be sufficient for two or three months' requirements under the milling percentage effective since October 1. October imports were smaller (about 3,600,000 bushels) but still important in relation to milling requirements. Exports of surplus rye in September were also very low, amounting to only 339,000 bushels against 836,000 in August and 2,146,000 in September 1929.

Figures on stocks on farms as of the middle of October do not differ much in comparison with last year, except in the case of rye. Rye stocks

are smaller because of the smaller crop and because a large amount has been taken over by the government supporting agencies.

Table 19.- Grain stocks on German farms on October 15, 1929 and 1930 ^{1/}

Commodity	Total stocks		Available for sale		To be kept	
	1929	1930	1929	1930	1929	1930
	1,000	1,000	1,000	1,000	1,000	1,000
	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
Winter wheat	75,400	74,400	60,900	60,000	14,500	14,400
Spring wheat	8,900	9,300	7,600	7,700	1,300	1,600
Winter rye	229,500	213,000	135,700	120,000	93,800	93,000

^{1/} Based on the percentage estimates of the German Agricultural Council.

The quality of the German wheat and rye crops is lower than last year. The percentage of medium quality is somewhat higher than last year, but there was a considerable decline in the share of higher grade wheat. This will undoubtedly increase the tendency to buy only the best grades of foreign wheat for blending purposes, when the milling regulations are altered to permit the use of more foreign wheat.

France

The French wheat market in October was characterized by moderate offers of domestic wheat and very limited import activity in foreign wheat. Prices for domestic wheat, which were rather low during the first part of the month, recovered during the later half but are still on a lower level than in September.

On October 3 the government issued a decree on the importation of goods from Russia, largely as a defensive measure against the dumping of Russian grain, according to which imports of grain from Russia require a special licence of the Ministry of Finance. To facilitate control over grain imports and render this decree effective, the government further announced three weeks later that all grain entering France has to carry a certificate of origin.

According to trade reports imports of Russian grain into France are of practically no importance now. No import licence has been asked for recently, and as a result of this situation, Russian grain afloat to Marseille has been diverted to other ports in many cases.

Estimates of the French wheat crop still vary widely, the official estimate of October 15 places it at 231,000,000 bushels. Although it is generally accepted that the crop is much smaller than last year, and of poorer quality, the Ministry of Agriculture in its comment on the crop estimate states that French wheat requirements in the current season can be covered by the present crop with imports from North Africa, last year's carry-over and an importation of foreign wheat not exceeding 10 per cent (about 33,000,000 bushels) of total millings. The trade and milling circles do not fully share this optimism. Millers' complaints on the quality of the wheat are growing and doubt is expressed that the wheat can be stored successfully owing to excessive moisture-content. That the government does not intend to increase the milling percentage of foreign wheat, at least in the near future, is indicated by its recent announcement, that it will not even permit stocks of foreign wheat in excess of 10 per cent of total stocks in conformity with the grinding law.

It appears that the official estimate of import requirements is based upon practically complete utilization of the old carry-over and a higher percentage of millable wheat in the current crop than most evidence seems to indicate is warranted, so that imports considerably larger than the government forecasts seem probable.

Italy

Italian markets continued during October to show much interest in foreign, particularly Russian, wheat. Italy was probably the largest buyer of Russian wheat on the Continent. In contrast to the attitude of certain other European governments, Italy has not taken defensive measures against imports of Russian wheat, in fact, the Italian Minister of Agriculture expressly denied intentions in that direction.

The Russian Trade Delegation in Italy has recently organized a central office for grain imports in Genoa, and plans branch offices in other important grain centers in Italy. This action, following up the Italo-Russian trade treaty, seems to indicate that Russia is striving to establish a permanent market for its grain in Italy. Russian wheat will undoubtedly be a big factor in the Italian market for months to come. The Italian grain market showed only moderate activity for foreign wheat during the latter half of October however, and there are trade indications that arrivals have become somewhat in excess of demand, the market being described as "oversold". The market for domestic wheat was very quiet in October, and prices have shown little movement.

Netherlands

A considerable and rather unexpected accumulation of wheat stocks at Rotterdam has taken place in recent weeks, partly because of the diversion to Rotterdam of Russian grain destined for Antwerp as a result of the Belgian licence measure. It is indicated, however, that the storage capacity at Rotterdam is not exhausted, contrary to reports, though elevator space certainly is becoming scarce. The possibilities of storage in lighters are by no means exhausted, in fact this is the principal method of storage in Rotterdam, and it is stated that lighter rent is very cheap and that a large supply of such space is still available.

Various relief measures suggested for Dutch wheat growers are also now under discussion, the milling quota system among others. There appears to be general opposition to the quota system, however, and it is possible that instead a fee of about 91 cents per 100 pounds of flour will be levied and these funds distributed to wheat growers.

Measures against Russian imports have also been suggested in Holland, in view of the measures taken in Belgium and France, but no action has been taken.

Belgium

Since October 27, 1930, Belgium imports of Russian grain and flour, etc., are subject to import licence, with the result that Russia has diverted grain afloat for Antwerp to Rotterdam. The Port of Antwerp and various trade circles have protested against the measure and it has been decided that it should not concern transit goods.

A milling quota system for domestic wheat is also being demanded in Belgium.

Austrian wheat markets showed an improved tendency during the first ten days of October with buyers more willing to commit themselves at the low level of prices ruling. Since the middle of the month, markets have been very quiet, with only hand-to-mouth buying evident. The restricted marketings of farmers during this period, however, resulted in relative stability of prices for the month as a whole.

Austria is reported to have bought an unusual share of good quality overseas wheat, including Russian, so far this year, and proportionally less Danubian. This policy of the flour mills is said to have improved the quality of flour produced and strengthened materially the competitive power of Austrian millers against imports of Hungarian flour.

Transit business on the Viennese market was very limited in October and confined to transactions for Czechoslovakia, as Germany no longer figures as buyer of Danubian grain on the Viennese market. Furthermore, Danube wheat at present is too expensive compared with Russian offers via Trieste and Hamburg.

Recent press reports announce the postponement of the grain import monopoly plan in Austria; it should be noted, however, that it has not been planned to introduce a monopoly before the opening of the 1931/32 season, so that no real change in the status of the monopoly proposal has occurred.

Czechoslovakia

Wheat markets in Czechoslovakia have shown very stable prices for domestic wheat in October, as the decline in trade and mill purchasing interest has been accompanied by a reduction in farm offerings. At the beginning of the month domestic buyers showed increased interest for wheat and large takings of Danubian wheat were reported, but the turnover soon fell off and has remained relatively limited throughout the month.

Various agrarian measures are being planned in Czechoslovakia with prospects that something will be enacted eventually. Among the proposals are (1) the establishment of a grain monopoly, (2) establishment of a government controlled grain company with exclusive import rights, (3) a milling quota system involving 70 - 80 per cent use of domestic wheat, and mixing of imported flour with domestic flour. The latter proposal is said to have the approval of the government.

As the trade treaty with Hungary expires on December 15, the import duty on various agricultural products, notably grain, will increase on that date, as the autonomous rates are above those effective in the treaty with Hungary.

The Danubian surplus countries

Generally speaking, October business in the Danubian surplus region has left much to be desired. Hungary was relatively the best off with respect to domestic and export sales of grain; Rumania during the second half of the month, complained of complete stagnancy of sales as well as local market arrivals because of the low and unremunerative prices for Danubian wheat ruling abroad. Shipments of wheat and wheat flour through Danube ports declined considerably during the four weeks ending October 23, but were still above any of the past six years except last year, when shipments during the corresponding period were $2\frac{1}{2}$ times as high as this year.

Table 20.-Shipments of wheat and wheat flour down the Danube,
1924-25 to 1930-31

Four week periods 1/	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels	bushels
Aug. 1 - 29	1029	367	808	294	73	698	1360
" 30 - Sept. 25	294	845	845	1323	257	3013	3160
Sept. 27 - Oct. 24	294	772	1580	808	583	3821	1764
Aug. 1 - Oct. 24	1617	1284	3233	2425	918	7532	6284
1/ For 1929, other years nearest comparable period.							

Hungary

Domestic demand on the Hungarian wheat markets has been intermittently good during October with Hungarian flour mills making fairly extensive purchases, but export trade was limited throughout the month, with some lots going to Austria and Czechoslovakia, but very little to Italy. Hungarian prices, slightly upward to the middle of the month, decreased considerably during the second half.

Competition of Russian wheat in the foreign markets for Hungarian wheat is much complained of by Hungarian exporters. It is particularly annoying to Hungary that Russian is being bought c.i.f. Trieste, by Austria and Czechoslovakia.

The latest estimate of the Hungarian government, as of November 1, shows a further general upward revision of crop figures, and the wheat estimate is approaching that of this office made several months ago (77,000,000). It is probable that the final figures will be around 75,000,000 bushels.

Table 21.-Hungary: Estimates of 1930 crop and outturn in 1929

Crop	Outturn in 1929	Estimates of 1930 crop
	1,000 bushels	Nov. 1, 1930
		1,000 bushels
Wheat	74,985	73,303
Rye	31,423	26,416
Barley	31,352	24,572
Oats	28,292	15,363
Corn	70,631	52,320
Potatoes	79,670	59,487

The average weight for wheat this year is 60.61 pounds compared with 61.06 pounds per Winchester bushel last year, according to the same report.

Wheat stocks in public Hungarian warehouses increased from 3,380,000 bushels to 4,409,000 bushels from September 15 to October 15; last year the corresponding rise was from 3,123,000 to 4,593,000 bushels.

The volume of transactions in wheat on the Budapest Produce Exchange has been as follows in recent weeks:

<u>Four weeks:</u>	<u>Bushels:</u>
June 21 to July 18	172,877
July 19 to Aug. 14	969,693
Aug. 15 to Sept. 12	603,877
Sept. 13 to Oct. 10	551,407
Oct. 11 to Nov. 8	423,099

As reported last month, the government is planning an increase in the value of the "bolettes" (described in our report of June 28, 1930 page 23), but nothing has been decided as yet.

Yugoslavia

Domestic business was relatively quiet and exports limited in Yugoslavia during most of October. The government decided some time ago that the military administration should buy its wheat requirements in the open farm markets instead of on auctions as was heretofore the custom. This measure is designed to prevent pressure on prices through the auction system and to support the country markets.

Rumania

The decline in wheat prices on foreign markets in October though limited, made Rumanian export business practically impossible during the latter part of the month. The Russian competition has not only curtailed export possibilities, but has also resulted in Rumanian farmers greatly reducing their offerings because of the low prices ruling. Their sales now consist chiefly of corn, which is bringing relatively better prices.

It is reported that the Rumanian government plans a "bolette" system similar to that existing in Hungary, the plan being that the government should buy up 331,000 short tons of grain directly from the farmers and sell it to the trade, the farmer receiving a certificate ("bolette") tenderable in the payment of taxes.

Poland

Polish grain markets are generally very quiet and relatively weak. Domestic demand is running small in relation to supplies, and exports are being forced considerably. August exports of rye amounted to 1,811,000 bushels, September exports to 2,017,000 bushels; last year in September rye exports were only 669,000 bushels. Wheat exports in September alone amounted to 433,000 bushels while in all of last season net exports were only 187,000 bushels. It is expected that Polish grain exports will continue for some time to come, though on a small scale.

Sweden

The domestic milling quota in Sweden for the period November 1 to December 31 has been raised to 75 per cent for wheat, and to 85 per cent for rye, as against 60 and 70 per cent, respectively, in September-October.

Estonia

According to a report dated November 1 the government has raised the import duty on wheat by 50 per cent, on flour from 55 to 80 per cent, effective immediately.

Portugal

According to information from Consul General Lee at Lisbon, a decree of the Portuguese government permits the milling of only one grade of flour, which must be of a higher extraction than that used in the past, and it is believed that this may result in smaller imports hereafter. This information, together with a higher estimate of the crop, induces us to reduce our previous estimate on Portuguese import requirements this season.

On December 31, 1930, the government will also announce the amount of wheat which may be imported during the first half of 1931, according to Consul Lee. Imports for the remainder of 1930 are expected to be very small, because of the seasonal reduction of takings during the months when the bulk of the domestic crop is available to flour millers.

LatviaDecree of the Grain Market Regulation 1/

1.

On the proposal of the Minister of Agriculture, the Cabinet of Ministers may issue compulsory regulations concerning the quantity of local and imported grain (rye and wheat) which is to be ground in mills, as well as fix the content of flour made from grain local and foreign. The quantity of local and imported grain to be ground is to be fixed at least one month in advance.

2.

In order to encourage the realization of the crop return the Ministry of Agriculture shall take for custody in its stores and for pledging with the Bank of Latvia, grain produced by Latvian farmers. In accordance with these regulations Latvian farmers may transfer for pledging, exclusively that quantity of locally produced grain which exceeds the stock needed by them for sowing purposes and other personal needs.

3.

The Cabinet of Ministers shall fix the minimum prices for locally produced rye and wheat pledged with the government stores taking into consideration the cost of the production of this product and other conditions.

The amount of advanced paid for grain pledged may not exceed the present
1/ Issued on the basis of Par. 81, of the Latvian Constitution.

market prices. On the basis of a special agreement with the Bank of Latvia and with the producers of grain, the Ministry of Agriculture is empowered to sell the pledged grain in its stores.

4.

The Ministry of Agriculture shall pay to the owner of the grain pledged the difference between the advance payment issued and the amount received for grain sold.

5.

On the basis of a special agreement with grain producers, the Ministry of Agriculture shall, within 6 months from the date of pledging of grain, return the quantity of grain pledged by a farmer against repayment of the advance received.

6.

Rye, wheat and its products may be imported exclusively by firms and persons who have purchased for grinding an appropriate quantity of local grain kept in the government stores. For the quantity of locally produced grain purchased the Ministry of Agriculture shall issue a certificate which is to be presented to customs authorities when releasing imported grain and its products.

7.

All institutions and persons, except grain producers, engaged in dealing, keeping, transporting and supplying of persons and institutions with grain and its products, must present for registration in the Ministry of Agriculture the quantity of grain and its products controlled by them or in their stores. The consumption of the quantity of imported grain registered and its products is subject to the rules of the decree.

These regulations became effective July 31, 1930.

Obligatory Regulation on the Proportions of Elaboration of Local and Imported Rye

1.

Imported foreign rye may be subjected to processes of manufacture or put on the market for trade in a quantity equal to that of local rye purchased from the Ministry of Agriculture, i. e., the proportion of foreign and of local rye processed and for sale must be 50 per cent as against 50 per cent.

2.

All institutions, firms and persons who are owners of foreign rye, wheat and flour the quantity of which exceeds 10 tons are permitted to sell or otherwise use it on the conditions that they purchase from the Ministry of Agriculture grain locally produced in the quantity as provided for in Paragraph 1 of the regulations.

These regulations became effective August 13, 1930.

World potato production, 1930

The world's potato crop is only of moderate size. The North American potato crop, which is an important factor in determining the price of potatoes in the United States, is small, but in Europe, where the potato crop is of significance mainly in its effect upon the world price of breadstuffs, the crop is about of average size, according to a survey by the Department of Agriculture.

Canada is harvesting a crop somewhat larger than that of a year ago, but smaller than the crops of 1927 and 1928. Adding the moderate sized crop of Canada to the small crop of the United States, the total is about 443 million bushels, compared with 426 millions in 1929 and 349 millions in 1928.

A moderate size potato crop in Europe is likely to increase the demand for wheat and rye in comparison with the past season. Germany and Austria have large crops, but many of the other European countries have small crops. Estimates of 17 European countries reported to date total 3,775 million bushels, as compared with 4 billion bushels produced in the same countries last year and 3,700 million bushels in the 1928 season. During the past four years these 17 countries have produced about 75 to 80 per cent of the European crop outside of Russia. Condition reports indicate that the crops in countries not yet reporting estimates are smaller than in the past season. The potato acreage was reduced in Scotland and Ireland. The Scottish Ministry of Agriculture reports that conditions have been unfavorable for the crop in that country. France is an important producer and it is reported that excessive rains have greatly damaged the crop in that country. Material reductions in the crops of the Netherlands and Belgium suggest what may be expected from France. It seems likely, therefore, that the total European potato crop has been reduced more than the 6 per cent indicated by the estimates from the 17 countries reporting to date. Soviet Russia reports an area of 13,171,000 acres, compared with 14,688,000 acres harvested in 1929. Average to above average yields are expected according to the latest available reports, which indicate that the Russian potato crop may be of about average size.

Table 22.-Potatoes: Production in North America and Europe,
1926-1930

Country	1926	1927	1928	1929	1930
					preliminary
	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels
North America					
United States	354,458	402,741	465,350	359,796	368,000
Canada	78,228	77,430	83,658	66,550	75,437
Total	432,686	480,171	549,008	426,346	443,437
Europe					
England & Wales	103,152	114,053	131,102	133,952	96,469
Scotland	33,563	29,829	38,528	43,120	
Northern Ireland	39,902	39,462	43,088	41,965	
Irish Free States	72,121	91,212	82,863	112,249	
Norway	32,870	22,599	34,933	34,615	28,256
Sweden	71,748	35,832	67,468	70,843	58,826
Denmark	29,827	20,746	43,086	39,388	
Netherlands	109,255	92,783	142,010	150,525	94,724
Belgium	110,276	121,590	133,531	143,593	101,081
Luxemburg	4,281	5,233	6,237	8,804	5,144
France	402,193	643,997	413,875	610,605	
Spain	116,292	132,646	139,892	169,853	162,266
Malta	1,041	1,051	1,048	1,089	1,074
Italy	84,914	71,477	54,742	74,148	
Switzerland	22,413	25,554	24,710	30,497	22,487
Germany	1,103,428	1,379,713	1,513,373	1,472,568	1,627,730
Austria	47,695	97,973	91,429	79,758	86,468
Czechoslovakia	185,432	370,157	315,721	592,996	300,487
Hungary	68,880	73,666	54,031	79,670	56,879
Yugoslavia	34,539	37,063	31,312	59,396	
Greece	1,653	1,213	1,216	793	
Bulgaria	1,773	1,388	776	2,785	3,086
Rumania	71,335	73,949	75,404	83,380	
Poland	785,553	983,655	1,016,339	1,166,592	1,003,713
Lithuania	61,170	46,444	35,263	68,082	
Latvia	37,238	26,358	11,539	39,674	37,001
Estonia	54,020	27,253	18,412	27,613	
Finland	31,368	27,852	23,313	30,375	29,363
Total	3,705,025	4,899,747	4,551,291	5,169,228	
Total 17 European countries which have reported in 1930 ..	2,802,582	3,512,096	3,712,502	4,008,189	3,775,054
Russia	1,609,348	1,385,216	1,674,761	1,758,168	

Table 23.- United States: Exports of wheat and wheat including flour, by weeks, 1929 and 1930

Week ended	Wheat		Wheat flour		Wheat including flour	
	1929	1930	1929	1930	1929	1930
	: 1,000 : : bushels :	: 1,000 : : bushels :	: 1,000 : : barrels :	: 1,000 : : barrels :	: 1,000 : : bushels :	: 1,000 : : bushels :
July 5-Aug. 2 :	8,912 :	12,937 :	969 :	854 :	13,467 :	16,951 :
Aug. 9..... :	2,678 :	1,888 :	144 :	145 :	3,355 :	2,570 :
16..... :	3,885 :	2,704 :	210 :	242 :	4,872 :	3,841 :
23..... :	4,493 :	3,104 :	187 :	295 :	5,572 :	4,490 :
30..... :	5,004 :	6,361 :	186 :	205 :	5,878 :	7,325 :
Sept. 6..... :	2,858 :	3,386 :	154 :	125 :	3,582 :	3,974 :
13..... :	3,485 :	2,451 :	217 :	303 :	4,505 :	3,875 :
20..... :	3,087 :	3,060 :	266 :	309 :	4,337 :	3,906 :
27..... :	1,377 :	2,367 :	270 :	347 :	2,646 :	3,998 :
Oct. 4..... :	1,829 :	1,352 :	205 :	239 :	2,793 :	2,757 :
11..... :	2,034 :	2,047 :	158 :	235 :	2,797 :	3,151 :
18..... :	2,382 :	1,552 :	202 :	178 :	3,351 :	2,189 :
25..... :	1,140 :	656 :	342 :	256 :	2,747 :	1,869 :
Nov. 1..... :	1,554 :	859 :	194 :	227 :	2,466 :	1,926 :
8..... :	1,320 :	1,097 :	106 :	223 :	1,818 :	2,145 :
15..... :	2,561 :	517 :	288 :	163 :	3,915 :	1,283 :

Compiled from weekly report of the Department of Commerce.

Table 24.- Wheat including flour: Shipments from principal exporting regions, specified dates, 1929 and 1930

Date	Argentina		Australia		Denmark		North America	
	1929	1930	1929	1930	1929	1930	1929	1930
	: 1,000 : : bushels :	: 1,000 : : bushels :	: 1,000 : : bushels :	: 1,000 : : bushels :	: 1,000 : : bushels :	: 1,000 : : bushels :	: 1,000 : : bushels :	: 1,000 : : bushels :
July 5-Aug 2.. :	17,644 :	4,892 :	5,754 :	6,320 :	456 :	408 :	36,101 :	57,547 :
Aug. 9..... :	5,983 :	1,356 :	1,568 :	1,716 :	16 :	336 :	5,536 :	8,338 :
16..... :	5,683 :	928 :	1,516 :	852 :	144 :	136 :	6,728 :	9,564 :
23..... :	6,924 :	516 :	1,352 :	1,428 :	160 :	472 :	5,045 :	10,012 :
30..... :	5,144 :	1,032 :	800 :	816 :	184 :	424 :	5,092 :	10,340 :
Sept. 6..... :	6,008 :	468 :	1,704 :	512 :	120 :	592 :	4,000 :	8,212 :
13..... :	3,684 :	900 :	1,400 :	560 :	928 :	1,280 :	7,280 :	10,063 :
20..... :	5,520 :	968 :	1,044 :	1,752 :	784 :	452 :	3,743 :	9,512 :
27..... :	3,920 :	544 :	608 :	1,320 :	1,176 :	1,646 :	5,055 :	9,353 :
Oct. 4..... :	5,292 :	876 :	316 :	1,312 :	992 :	632 :	4,649 :	6,389 :
11..... :	4,742 :	700 :	303 :	880 :	752 :	208 :	5,568 :	9,490 :
18..... :	4,608 :	1,296 :	232 :	2,056 :	1,280 :	600 :	5,922 :	5,827 :
25..... :	4,644 :	1,392 :	472 :	1,784 :	816 :	336 :	5,122 :	6,980 :
Nov. 1..... :	1,208 :	756 :	744 :	1,768 :	360 :	144 :	5,915 :	8,820 :
8..... :	2,696 :	606 :	528 :	1,848 :	896 :	528 :	5,225 :	6,851 :

Compiled from official and trade sources.

Table 25.- Wheat, including flour: Exports from the United States, by countries, July-September, 1929 and 1930

Country to which exported	Wheat		Wheat		Wheat flour	
	including flour		Sept.		Sept.	
	July-Sept.		Sept.		Sept.	
	1929	1930	1929	1930	1929	1930
	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	barrels	barrels
United Kingdom.....	12,512:	16,005:	3,030:	4,585:	195:	172
Irish Free State.....	1,178:	1,070:	1/	449:	15:	9
Belgium.....	3,596:	3,830:	1,022:	844:	1:	11
Greece.....	3,263:	3,409:	1,000:	1,025:	7:	1
Netherlands.....	3,095:	8,194:	540:	1,049:	51:	172
Germany.....	2,056:	1,353:	197:	192:	25:	40
France.....	754:	2,615:	337:	1,035:	1/	1
Denmark.....	716:	855:	22:	0:	56:	76
Norway.....	556:	742:	0:	0:	29:	48
Finland.....	549:	673:	0:	0:	50:	64
Sweden.....	247:	69:	0:	0:	10:	5
Malta, Gozo and Cyprus:	243:	74:	80:	12:	3:	4
Italy.....	76:	1,677:	0:	718:	3:	9
Other Europe.....	98:	492:	0:	0:	4:	8
Total Europe.....	23,539:	41,058:	6,028:	9,939:	449:	618
Canada.....	7,406:	5,772:	5,160:	1,841:	11:	7
Panama.....	2,014:	1,547:	843:	0:	8:	12
Cuba.....	1,475:	1,113:	5:	3:	117:	71
Mexico.....	637:	1,019:	179:	39:	8:	3
Haiti, Republic of.....	208:	209:	0:	0:	19:	17
Brazil.....	902:	1,658:	0:	229:	49:	78
Colombia.....	252:	209:	34:	7:	11:	11
Peru.....	134:	94:	0:	0:	6:	7
Japan.....	1,089:	930:	846:	609:	4:	2
China.....	1,162:	1,146:	0:	35:	127:	176
Hongkong.....	754:	1,207:	0:	0:	21:	103
Kwantung.....	988:	412:	0:	0:	89:	54
Philippine Islands.....	889:	757:	0:	0:	47:	59
Other countries.....	2,841:	3,021:	9:	14:	197:	194
Total exports.....	49,690:	60,141:	13,104:	12,716:	1,163:	1,412
Total imports.....	1,850:	4,904:	397:	2,786:	1/	1/
Total reexports.....	21:	1/	8:	0:	1/	1/
Net exports.....	47,861:	55,237:	12,715:	9,930:	1,163:	1,412

Compiled from official records of the Bureau of Foreign and Domestic Commerce.
1/ Less than 500.

Table 26.- Wheat including flour: Net imports into European importing countries 1929-30 and 1930-31

Country	July 1 to	Net imports reported	
		1929-30	1930-31
		Million bushels	Million bushels
United Kingdom.....	Sept. 30	60	59
Italy.....	July 31	7	5
Germany.....	Aug. 31	21	7
France.....	July 31	6	1/ 4
Belgium.....	Aug. 31	9	8
Netherlands.....	Aug. 31	5	6
Czechoslovakia.....	Aug. 31	2	3
Greece.....	Aug. 31	3	4
Irish Free State.....	July 31	1	1
Austria.....	July 31	1	1
Switzerland.....	Aug. 31	5	3
Sweden.....	Sept. 30	3	2
Norway.....	Sept. 30	2	2
Denmark.....	Aug. 31	1	1
Finland.....	Aug. 31	1	1
Poland.....	Aug. 31	2/	2/
Estonia.....	July 31	2/	2/
Latvia.....	July 31	2/	2/
Total.....		127	99

1/ Net export
2/ Less than 500,000

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1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the transparency and accountability of the organization.

2. The second part outlines the various methods used to collect and analyze data. It includes a detailed description of the survey process, which involved distributing questionnaires to a large number of participants.

3. The third part presents the results of the survey, showing a clear trend towards increased participation in community activities. This indicates a growing sense of civic responsibility among the population.

4. The fourth part discusses the challenges faced during the data collection process. It highlights the difficulties of reaching certain demographic groups and the need for innovative solutions to ensure a representative sample.

5. The fifth part provides a summary of the findings and offers recommendations for future research. It suggests that further studies should focus on the long-term impact of the observed trends.

6. The sixth part concludes the document by reiterating the significance of the research and the commitment to ongoing data collection and analysis.

7. The seventh part includes a list of references to the sources used in the study, ensuring the credibility and reliability of the information presented.

8. The eighth part contains a list of appendices, which provide additional data and supporting information for the main text.

9. The ninth part is a list of figures and tables, which visually represent the data collected during the survey.

10. The tenth part is a list of footnotes, which provide further details and clarifications on specific points mentioned in the text.

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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6

WORLD WHEAT PROSPECTS

Changes in the wheat production estimates of various countries have resulted in slightly raising the estimated total world production for the 1930-31 season, according to the United States Bureau of Agricultural Economics, so that the figure for the world outside Russia and China now stands at 3,784 million bushels compared with 3,495 million bushels last year. The past few weeks have brought with them the closing of navigation on the Great Lakes, declining shipments from Russia, and harvest time for the Southern Hemisphere. As a result, the flow of wheat overseas to the importing markets of the world is beginning to shift. Shipments during the past few months have come mostly from the Northern Hemisphere, but during the next six months Southern Hemisphere shipments will bulk larger in the world total.

Of especial interest has been the support given United States markets by the Grain Stabilization Corporation. The decline in prices was stopped about the middle of November and after a rise of about 6 cents per bushel in United States markets east of the Rocky Mountains, prices of cash grain and of December, March and May futures have remained fairly steady at about the level at which support has been given by the Grain Stabilization Corporation. July futures have registered still further declines.

Meanwhile, cash and future prices have continued to decline somewhat in the free markets of the world. At Winnipeg, Liverpool, and Buenos Aires the lowest prices thus far this season have been reached during December.

Continued large supplies from most exporting countries and a restricted demand from the importing countries appear to have been responsible for the declines. Some countries of continental Europe have adopted measures tending to further restrict imports. While such measures have tended to prevent prices in those countries from declining in sympathy with world market prices, they have contributed to the decline of the world markets.

Despite extremely low prices in the free markets of the world, prices in many countries are not correspondingly low and consumption has been less than would otherwise have been the case. Furthermore, reports indicate that millers and importers of certain continental countries are looking forward to a lowering of import duties or milling quotas of domestic grain where these exist. They are consequently following a hand-to-mouth buying policy. Any relaxation of restrictions on imports might well result in a distinct change in the demand of continental Europe which would materially relieve present large port stocks and would aid in disposing of shipments from surplus producing countries.

Production, 1930 crop

World wheat production exclusive of Russia and China has been estimated at 3,784 million bushels compared with 3,495 million bushels in 1929 and 3,973 million bushels in 1928. The production in Russia is estimated at 1,157 million bushels compared with 703 million in 1929. The December estimate of the United States crop is 809,176,000 bushels compared with 850,965,000 bushels in 1929.

The estimate of the Canadian crop remains unchanged at 396 million bushels but is subject to revision in the crop report to be issued toward the end of January. Receipts of wheat at country points from August 1 to November 30 were 230 million bushels compared with 195 million bushels during the same period last year. During the four months ended November, 1930, 158 million bushels had been inspected in the western division, 75.5 per cent of which graded No. 3 Northern or better. During the four months ended November, 1929, 117 million bushels were inspected, 87.0 per cent of which graded No. 3 Northern or better. Exports (including flour) this season to November 30 were 120 million bushels compared with 71 million during the same period last year. Navigation on the lakes closed during the second week in December with stocks in western Canada 2,583,000 bushels less than they were a year ago.

Production in twenty-four European countries, which includes about 97 per cent of the European wheat crop outside of Russia is 1,335,000,000 bushels against 1,409,000,000 in 1929 and 1,380,000,000 bushels in 1928. The only significant revisions during the past month were an increase of 6 million in the estimate of the Rumanian crop and an increase of nearly 10 million in the crop in Poland.

The first estimate of the production in Egypt which was received during the present month placed the crop at 41 million against 45 million bushels in 1929. The total crop in the four North African countries, Algeria, Morocco, Tunis and Egypt, is 101 million bushels against 122 million bushels a year ago.

The Australian crop is estimated at 215 million bushels against 126 million bushels last year and the quality of the grain is also reported to surpass that of last year's crop. Stocks of old wheat on December 1 were estimated to be about 5 million bushels by one trade source. In Argentina the crop is placed at 271 million bushels by the first official estimate. This is 109 million bushels greater than the estimate for last year's crop.

Table 1.- Wheat: Production average 1909-1913, 1923-1927, annual 1928-1930

Crop and countries reported in 1930	1/	Average : 1909-1913:	Average : 1923-1927:	1928	1929	1930	Percent- age 1930 is of 1929
		: 1,000 : bushels	: 1,000 : bushels	: 1,000 : bushels	: 1,000 : bushels	: 1,000 : bushels	: Per Cent
United States.....		690,108:	809,668:	914,876:	809,176:	850,965:	105.2
Canada.....		197,119:	403,714:	566,726:	304,520:	395,854:	130.0
Mexico.....	2/	11,481:	11,090:	11,031:	11,333:	11,274:	99.5
Total N. America(3)...		898,708:	1,224,472:	1,492,633:	1,125,029:	1,258,093:	111.8
Europe (25).....		1,327,663:	1,225,592:	1,392,497:	1,420,346:	1,345,100:	94.7
North Africa (4).....		92,047:	100,887:	107,784:	122,451:	100,899:	82.4
Asia (5).....		389,374:	398,615:	339,160:	378,960:	446,767:	117.9
Total N. Hemis.(37)...		2,707,792:	2,949,566:	3,332,074:	3,046,786:	3,150,859:	103.4
Argentina.....		147,059:	223,492:	349,051:	162,576:	271,404:	166.9
Australia.....		90,497:	136,604:	159,679:	126,477:	214,780:	169.8
Union of S. Africa....	2/	6,278:	7,307:	6,693:	11,140:	11,450:	102.8
Kenya.....		0:	338:	760:	1,175:	1,163:	99.0
Total S. Hemis (4)...		243,834:	372,731:	516,183:	301,368:	498,797:	165.5
Total above countries (41)		2,951,626:	3,322,297:	3,848,257:	3,348,154:	3,649,656:	109.0
Est. world total ex.:		:	:	:	:	:	:
Russia and China....		3,041,000:	3,451,000:	3,973,000:	3,495,000:	3,784,000:	108.3

1/ Figures in parenthesis indicate the number of countries included.

2/ Four-year average.

Fall seedings for the 1931 cropUnited States

In the United States the acreage seeded to winter wheat is estimated to be 42,042,000 acres compared with 42,513,000 acres in 1929. This represents a decrease of 1.1 per cent from last year and of 1.4 per cent from the average of the previous five years. Not all States show decreases, however, as there are marked increases over the areas sown in 1929 in some of the less important areas of the southeast. The acreage in all of the more important hard red winter producing States is substantially below last year.

The December 1 condition of the crop is estimated to be 86.3 per cent of normal which is 3.1 points above the ten year average and slightly above the condition reported a year ago. The condition is very poor in the eastern half of the area affected by the drought, but very favorable in most of the Great Plains area.

Canada

The area seeded to winter wheat in Canada up to October 31 was 894,000 acres compared with 1,042,000 acres in 1929. The winter wheat area however is only about 3 per cent of the total wheat acreage. Rainfall in the western wheat region of Canada in the autumn just closing has been more abundant than in the two preceding seasons and should provide a normal amount of sub-soil moisture for the use of the seed to be planted next spring.

Europe

The spring grain sowing plan of the U. S. F. S. R. contemplates the seeding of 186,807,600 acres, an increase of 19 per cent over actual sowings in the spring of 1930, according to cabled information from Agricultural Commissioner Steere at Berlin. For spring wheat alone in that region, 61,033,700 acres are planned, an increase of 30.6 per cent. Mr. Steere also reports that the acreage sown to wheat in Prussia, Germany, up to the early part of December was 6.6 per cent greater than the area shown up to the corresponding date in 1929. A decrease of 10.2 per cent is reported in the rye acreage. The condition of both winter wheat and winter rye were above average on December 1 but slightly below the condition reported a year earlier.

The meteorological section of the R. S. F. S. R. and Ukraine Commissariat of Agriculture report that during the last ten days of November, Ukraine crop conditions were above average, with plentiful soil moisture present, Mr. Steere states. In most parts of continental Europe, fall sowings appear to be in fairly satisfactory condition. The general situation, however, is less favorable than last year, particularly in late sown areas. Also, conditions in western Europe are less favorable than in central Europe, although conditions in France have improved somewhat. Unfavorable weather conditions in that country interfered greatly with field work and the heavy rains have damaged the seed beds in some regions. Crop conditions in Italy are favorable, as are also conditions in the Danubian countries.

Argentina

The 1930 wheat crop of Argentina is officially estimated at over 271 million bushels, an increase of nearly 109 million bushels over the revised estimate of 163 million reported for 1929, according to reports from Agricultural Commissioner Ray. The new crop is expected to be somewhat light in weight but of high protein content. In the northern part of the wheat zone, where the harvest is about completed, the crop is good both in quantity and quality. Farther south in the rust infected areas, which include much of the principal wheat producing region, the condition of the crop is more spotted and returns are less favorable. Rust infection tends to sap the carbohydrates leaving the kernels light but with a high percentage of protein.

The carry-over is reported to be 18 million bushels, and to consist mostly of flour. No definite figure is available for carry-over a year ago but the statistical balance remaining after deducting exports and normal consumption requirements points to a carry-over into 1930 of about 26 million bushels.

Domestic requirements for 1931 are expected to exceed those of 1930 due partly to the light weight of the crop and partly to the low prices prevailing stimulating flour consumption and feeding of wheat. The exportable surplus is estimated at 200 million bushels compared with a surplus of about 103 million bushels a year ago. Actual exports in 1930 through December 20 have reached over 84 million bushels and the total for the year will probably be about 85 million.

Table 2.-Distribution of Argentine wheat crop, based on official estimates.
1922-23 to 1930-31 1/

Crop year	Area sown	Pro-duction	Carry-over	Total supply	Domestic disappearance	Other	Exports	Statistical balance
			Jan. 1		Seed	pur-poses	surplus	harvest
								Dec. 31
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1922-23	16.5	196	11	207	66	141	140	1
1923-24	17.2	248	1	249	21	47	181	170
1924-25	17.8	191	10	201	23	47	131	117
1925-26	19.2	191	14	205	<u>3/</u> 87		118	82
1926-27	19.3	230	35	265	77		188	164
1927-28	20.7	282	18	300	77		223	203
1928-29	22.8	349	13	362	<u>4/</u> 86		276	250
1929-30	20.5	163	<u>5/</u> (26)	189	86		(103)	<u>6/</u> 85
1930-31								
prel.	21.3	271	18	289	<u>7/</u> 89		200	

1/ Figures in parenthesis are rough estimates of the probable amounts.

2/ Imports are insignificant.

3/ Includes about 10 million bushels of poor quality grain.

4/ May include a greater use than usual for livestock feeding from the record crop.

5/ Statistical balance. 6/ Based on exports reported partly from unofficial sources through December 20. 7/ Obtained from subtracting the amount officially reported as exportable surplus from the sum of amounts reported for production and carry-over. Argentine authorities are expecting a larger domestic consumption than usual due to the light weight of the crop and low prices.

- - -
United States

The recent survey of wheat feeding made by the United States Bureau of Agricultural Economics indicates that if intentions reported as of November 15 are carried out a total of 236 million bushels of wheat will be fed to live-stock during the 1930-31 crop year, compared with 90 million bushels during the previous year. The extent to which these intentions will be carried out will depend to a large measure upon future developments as to the relative price of wheat and feed grains, and as to livestock prices. In any event, however, it appears that more wheat will be fed to livestock this year than in any recent year for wheat producers are reported to have fed in excess of 61 million bushels up to November 1, as compared with 58 million bushels during the entire 1929-30 crop season.

The total supply of domestic wheat in the United States for the 1930-31 season is estimated to be 1,126,000,000 bushels. Allowing for the indicated amount to be fed to livestock, for feed requirements, for 500 million bushels to be manufactured into flour for domestic use, and for 70 million bushels exported up to December 1; a balance of 241 million bushels would be available as of December 1 for export during the remainder of the season or for carry-over into the next season. An analysis of available supply and distribution figures for next year, however, indicates that this balance apparently remaining as of December 1 may be smaller than the actual amount available for export or carry-over. This is because the supply and distribution figures for last year indicate a surplus of 40 million bushels in the accounted for distribution over the apparent supplies available for the year.

The new estimates of the amount of wheat fed allow the presentation of a Table showing the approximate supply and distribution of wheat for the United States, in which each of the items of supply and distribution is arrived at independently. Heretofore, estimates of the amount of wheat fed have been based upon a residual amount, that is the number of bushels left over after the total of the items of accounted for distribution had been subtracted from the total of estimated supplies. The various items of supply and distribution for the two years, 1929-30 and 1930-31, are as follows:

	1929-30 (Million Bushels)	1930-31 (Million Bushels)
Domestic Supply:		
Carryover.....	247	275
Production.....	<u>809</u>	<u>851</u>
	1,056	1,126
Distribution:		
Domestic requirements.....		
Seed requirements.....	83	79
Feed requirements.....	90	236
Food requirements.....	<u>508</u>	<u>500</u>
	681	815
Available on July 1 for export and carryover for entire crop season	375	311
Exports, July 1 to November 30.....	<u>69</u>	<u>70</u>
Available on December 1 for export and carry-over for remainder of crop season.....	306	241
Exports, December 1 to June 30.....	<u>71</u>	
Balance.....	235	
Estimated carry-over into following season.....	275	
Difference.....	-40	

The figure for food requirements of 1929-30 is an estimate of mill grindings for that year minus exports of flour in terms of wheat amounting to 61 million bushels. It is estimated that stocks of flour increased during the year by an amount equivalent to 6 million bushels of wheat. (See "World Wheat Prospects", September 29, 1930, pages 11-12). In the statement on page 1, this item was taken at 500 million bushels, the same as assumed for 1930-31.

It will be noted that the balance for carry-over, which is arrived at by subtracting the items of distribution from the total supply of the 1929-30 season amounts to 235 million bushels, while the independently estimated amount carried over as of July 1, 1930 was 275 million bushels. The discrepancy of 40 million bushels is the net error of the various independently estimated items. Statements covering supply and distribution heretofore issued by the Department have not included an independently estimated amount of wheat fed. This item of distribution has been included in the remainder when total distribution accounted for is deducted from total supply. Now that the amount of wheat fed has been independently estimated, an excess of distribution above supply results from the calculations. Duplication and errors are, of course, inherent in all of the items in the Table of supply and distribution. Considerable study is necessary before the various estimates can be corrected in the light of this discrepancy, but it is entirely improbable that the tabulation can ever be expected to balance exactly.

Combining the estimated carry-over of 275 million bushels and the crop of 851 million bushels gives a total supply for the 1930-31 season of 1,126 million bushels. Subtracting from this the total of estimated domestic requirements including 79 million bushels for seed, 236 million bushels for feed, and 500 million bushels for food leaves a balance of 300 million bushels available for export during the 1930-31 season and for carry-over on July 1, 1931. Of this balance 70 million bushels were exported from July to November, inclusive, leaving 241 million bushels apparently available for export during the remainder of the season and for carry-over into the following season.

During the six weeks, prices of wheat in American markets have been so high relative to prices at Liverpool and most other European markets that the export movement of wheat has been very limited. Nevertheless, there has been some movement of wheat from United States ports even under these adverse circumstances, especially from the Pacific Coast. Exports of flour have also been adversely affected by the relatively high prices of wheat in the United States, but not to so great an extent as have exports of wheat. The amount of wheat and flour which will be exported during the remainder of this season will no doubt be largely dependent upon the relationship which obtains between the prices of wheat in the United States and in importing markets. Nevertheless, some wheat and considerable quantities of flour will doubtless be exported during the next six months, even if prices in the United States are higher

than they normally are as compared with prices in Liverpool and other importing markets. Consequently, even if we allow for a considerable underestimate of the 1930 crop, or duplication in the above items of distribution, it seems evident that the carry-over of wheat on July 1, 1931, will be smaller than on July 1, 1930, if the farmers feed the amount of wheat which it has been indicated that they intend to feed.

Prices

Prices in the free markets of the world have shown a downward tendency during November and the first half of December. At Liverpool May futures declined from a level of 83 cents per bushel on November 6 to 70 cents per bushel on December 18, the decline having been broken by only a temporary recovery during the latter half of November. Similar declines occurred at Winnipeg and Buenos Aires, Winnipeg May futures declining from 74 cents on November 6 to 58 cents on December 18, while Buenos Aires February futures were 67 cents per bushel on November 5 and 56 cents on December 18.

In United States markets and in certain of the European countries, prices have followed a different course because of tariffs and other Governmental action designed to support their wheat markets. In the United States prices of cash wheat and of December, March, and May futures reached a low point about the middle of November and then made a substantial recovery during the latter part of that month, and during the first half of December they have remained fairly steady at about the same levels as those prevailing during the first week of November. July futures, on the other hand, have declined in a manner somewhat similar to, though to a less extent than, prices in the free markets of the world. Prices on the Pacific Coast have also been an exception in that they have benefited but little from the operations of the Grain Stabilization Corporation. At the markets of Paris, Berlin, Prague, Vienna and Budapest, though there has been considerable fluctuation, prices have not shown the marked downward trend characteristic of Liverpool and the other non-protected markets of the world. At Milan there has been a marked decline since the first of November.

In the United States, cash prices east of the Rocky Mountains have shown somewhat greater strength than have futures since the middle of November, for while futures have remained at practically the same level for the past four weeks, there have been slight rises in the cash market.

Table 3.- Wheat: Closing prices of May futures

Date	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires						
	1929: 1930:	1929: 1930:	1929: 1930:	1929: 1930:	1929: 1930:	1929: 1930:						
	Cents:	Cents:	Cents:	Cents:	Cents:	Cents:						
Nov. 6	134	80	126	74	134	76	141	74	141	83	2/116	2/67
" 13	126	77	120	71	127	73	135	72	134	78	2/114	2/66
" 20	134	77	127	71	135	72	143	66	144	74	2/118	2/59
" 27	155	80	128	73	135	74	144	67	144	80	2/120	4/64
Dec. 4	138	81	130	73	137	75	149	65	149	77	2/126	4/63
" 11	133	81	126	73	133	76	143	62	140	73	2/120	4/61
" 18	129	81	122	73	129	76	138	58	139	70	4/121	4/57
" 25	136		129		136		146		148		4/128	
" 31	135		127		134		146		148		4/128	
	1930: 1931:	1930: 1931:	1930: 1931:	1930: 1931:	1930: 1931:	1930: 1931:	1930: 1931:	1930: 1931:	1930: 1931:	1930: 1931:	1930: 1931:	1930: 1931:
Jan. 8	132		125		132		141		142		4/122	

^{1/} Prices are of day previous to other prices.^{2/} February futures. ^{3/} Wednesday's prices. ^{4/} March futures.

Table 4.- Wheat: Weighted average cash prices at stated markets

Week ended	:All classes:		No.2		No.1		No.2		No.2		Western	
	:and grades		:hard winter:		:dk.n.spring:		:amber durum:		:red winter:		:white	
	:six markets:		:Kansas City:		:Minneapolis:		:Minneapolis:		:St. Louis		:Seattle 1/	
	: 1929: 1930:		: 1929: 1930:		: 1929: 1930:		: 1929: 1930:		: 1929: 1930:		: 1929:1930	
	:Cents:		:Cents:		:Cents:		:Cents:		:Cents:		:Cents:	
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Oct. 31:	121	:	75	:	119	:	74	:	128	:	81	:
Nov. 7:	120	:	71	:	118	:	71	:	130	:	77	:
" 14:	115	:	68	:	113	:	67	:	125	:	73	:
" 21:	123	:	68	:	120	:	68	:	130	:	73	:
" 28:	125	:	73	:	121	:	70	:	132	:	78	:
Dec. 5:	130	:	73	:	125	:	71	:	138	:	78	:
" 12:	122	:	74	:	120	:	72	:	130	:	79	:
" 19:	120	:	:	:	118	:	:	:	128	:	:	:
" 26:	123	:	:	:	122	:	:	:	132	:	:	:
	:1930	:	:1931	:	:1930	:	:1931	:	:1930	:	:1931	:
Jan. 2:	126	:	:	:	125	:	:	:	136	:	:	:
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^{1/} Weekly average of daily cash quotations basis No. 1 sacked 30 days delivery.

Table 5.- Wheat: Price per bushel at important world markets,
July - November 1929 and 1930

Month	: Liverpool : Parcels <u>1/</u>		: Winnipeg <u>2/</u>		: Kansas : City <u>3/</u>		: Buenos : Aires <u>4/</u>	
	: 1929	: 1930	: 1929	: 1930	: 1929	: 1930	: 1929	: 1930
	: Cents	: Cents	: Cents	: Cents	: Cents	: Cents	: Cents	: Cents
July.....	121	106	152	90	125	80	120	94
Aug.....	142	108	152	88	123	81	120	95
Sept.....	137	93	144	74	124	78	118	82
Oct.....								
1st. week....	141	85	137	68	124	73	113	74
2nd. week....	140	88	139	69	125	75	122	74
3rd. week....	137	84	134	66	121	73	119	68
4th. week....	127	88	129	66	117	76	114	69
5th. week....	132	85	130	66	119	74	113	70
Nov.....								
1st. week....	118	84	126	64	118	71	111	69
2nd. week....	120	81	120	62	113	67	108	65
3rd. week....	130	76	127	57	120	68	114	60
4th. week....	134	80	129	58	121	70	117	63
Dec.....								
1st. week....	143		134	52	125	71	121	62
2nd. week....	138		129	51	120	72	118	58

1/ Average of all parcels; Compiled from Broomhall's Daily Corn Trade News.2/ No. 3 Manitoba Northern. 3/ No. 2 Hard Winter.4/ Early Delivery futures; from the New York Journal of Commerce.Table 6.- Wheat: Liverpool parcels price per bushel by classes,
July - November 1929 and 1930

Month and Week	: No. 3 Manitoba : Northern		: No. 2 Hard : Winter		: Rosafé : (62½ lbs.	
	: 1929	: 1930	: 1929	: 1930	: 1929	: 1930
	: Cents	: Cents	: Cents	: Cents	: Cents	: Cents
July.....	164	109	143	103	140	103
Aug.....	170	107	144	105	140	108
Sept.....						
1st. week.....	163	100	142	100	138	102
2nd. week.....	164	97	141	98	138	-
3rd. week.....	161	94	139	96	135	-
4th. week.....	158	90	136	90	127	89
Oct.....						
1st. week.....	155	89	134	88	124	85
2nd. week.....	156	85	137	83	129	82
3rd. week.....	154	86	134	-	128	81
4th. week.....	147	86	128	-	122	80
5th. week.....	147	86	129	-	122	80
Nov.....						
1st. week.....	146	83	130	-	123	80
2nd. week.....	138	80	124	-	116	78
3rd. week.....	142	76	130	-	121	71
4th. week.....	148	79	136	-	125	74

World trade

The significant and almost dominant factor in the world trade in wheat during the past five months has been shipments from Russia. Since the war, trade has accustomed itself to expect only a small amount or no wheat from Russia and dependence of the importing countries has been placed largely upon North America, Argentina, Australia and the Danubian countries for their foreign supplies of wheat. This year however, from the first of July through the second week of December trade reports indicate that a total of over 65 million bushels have been shipped from South Russian ports, compared with none last season. This is an amount which is not greatly below the average of pre-war years, for during the corresponding weeks of the five years 1909 to 1913 trade figures show exports from Russia amounting to an average of about 87 million bushels.

Aside from the increase in Russian shipments the most outstanding change during the first twenty-four weeks of this season as compared with the corresponding period of last season, has been the reduced shipments from Argentina. Last season, following a very large crop harvested a year ago, Argentina still had left a large exportable surplus at the beginning of July and her shipments from July 1 to mid-December were large, amounting to approximately 92 million bushels or nearly 34 per cent of the total shipments of the principal exporting countries during that period. This year, on the other hand, the Argentina shipments have amounted to only about 21 million bushels or 6 per cent of the total. Exports of the United States have been somewhat smaller this year, but exports from Canada have been enough larger to make the total from North America 191 million bushels against 145 million in 1929. Total shipments for the principal exporting countries from the first of July through the second week of December, have amounted this year to 325 million bushels compared with 272 million during the corresponding period of last season.

The larger export shipments of this year have been in line with an apparent increase in requirements of importing countries. Nevertheless, it appears that the excess over last year has gone largely to non-European countries or else has found its way into increased port stocks, for total reported net imports of European countries from July 1 to the latest dates available for the current season, have been slightly less than the corresponding period last year.

In view of the great importance of Russian shipments during the past few months special interest is attached to their probable size during the remainder of the season. During the five years immediately preceding the World War, Russian exports ordinarily reached their peak during the fall months and then during the latter part of November or during December declined markedly to from one-half to one-third of their level during the fall. This lower level of exports tended to continue until spring, a slight increase occurring about the first of April and being fairly well maintained through the remainder of the crop year. This year there has been some slackening of the Russian shipments during the past few weeks and reports generally indicate that fully as much of a seasonal decline is to be expected as was normal in the pre-war period.

The Continental European wheat market situation during, November 1930 1/

General dullness characterized continental wheat markets during most of November, with high tariffs and government milling regulations continuing to prevent the development of an import demand for foreign wheat commensurate with the deficit which appears to exist this year. Reports of rust damage in Argentina stimulated buying, particularly English, as the month opened, and expectation of American and Canadian government market support strengthened prices again at the close, but lack of interest characterized markets over most of the month.

It is increasingly evident that basic improvement of Continental demand must wait on the lowering of milling quotas for domestic grain, where these exist, or upon a fundamental change in the supply outlook overseas. No extensive early reduction in milling quotas is yet indicated and indications of a large Southern Hemisphere crop, further heavy Russian shipments and no material change in the winter wheat acreage sown in the Northern Hemisphere have only served to confirm European views of a bearish statistical position. November saw a considerable accumulation of wheat stocks in most European ports as a result of heavier Autumn shipments and restricted imports, with stocks of Russian wheat particularly important. This general situation, and the extreme cheapness of foreign wheat, seem to have spread conviction among the Continental trade and millers that requirements can best be covered as the need arises.

Russia remained an important factor in Continental wheat markets in November, but more because of large Russian stocks accumulated in many European ports than through uncertainty about future developments. Russian shipments declined during the second half of November after reaching their probable peak 7,569,000 bushels in the week ended November 12, and the remainder to come is still uncertain, as information is very contradictory, some reports indicating imminent discontinuance of shipments, others continued movement for some time to come, but prices now prevailing appear to have discontinued such future exports as are likely to be made. A sharp decline of Russian shipments would probably bolster prices somewhat.

The markets for domestic wheat in the various Continental countries were on the whole without unusual features in November, though consumption of native grain was undoubtedly proceeding at an abnormal rate. The markets most subject to world influences showed no material change in price levels, except in Italy, where heavy October imports were a depressing factor. In Czechoslovakia, however, adoption of a wheat milling and a flour mixing quota system caused a considerable increase in wheat quotations, and German wheat prices also strengthened on reports of prospective additional protective measures. November wheat markets also reflected the weakness in various stock markets to a certain extent, in the opinion of some trade observers.

1/ Prepared by Agricultural Commissioner Loyd V. Steere, Berlin, Germany, December 5, 1930; supplemented by cable of December 1st, 1930.

Wheat and flour shipments to the Continent

Overseas shipments of wheat and flour to the Continent of Europe showed a pronounced drop during November after assuming considerable proportions in the three months preceding. The decline appeared to be due to the continued slackness of demand in Europe and the backing up of large stocks at many ports. The decline in shipments seems likely to be reflected in a reduction in port stocks during December, unless import demand on the Continent dwindles to such an extent as to make no impression on the accumulations and arrivals at the ports.

Table 7.- Wheat and flour: Shipments to the Continent.

Item	1928	1929	1930
	1,000	1,000	1,000
	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
Shipments to the Continent			
Four weeks ending:			
Aug. 28.....	32,000	14,360	25,600
Sept. 25.....	38,960	14,240	28,160
Oct. 30.....	31,240	13,840	23,240
Nov. 27	37,120	18,680	18,120
Aug. 1 to Nov. 27 1/.....	141,520	70,040	99,880

1/ Including the week ended October 2, not contained in the above 4 week figures.

Estimates of the 1930 European wheat crop and of the probable deficit this year changed only to a minor extent during November. The probable import deficit on the Continent appears, as of December 1, slightly smaller than a month ago. This further reduction seems necessary because of the adoption of additional measures to restrict imports in Germany, and more or less official statements in both France and Germany that every effort will be made to keep wheat imports down to a minimum. There is as yet no indication of imminent relaxation of the compulsory milling requirements for domestic grain in effect in these countries. It is still too early in the season to decide whether it will be possible to enforce milling regulations for as long as the authorities expect, but it is entirely possible that relaxation of measures later in the season might result in unexpectedly heavy imports of foreign wheat, and the fact that continental net imports this season up to the second half of October which were expected to be large have amounted to only about 95,000,000 bushels as compared with 90,000,000 bushels last year, points to the necessity of greatly increased continental takings during the remainder of the season, if the apparent deficit is to be covered.

Table 5.- Wheat: Price per bushel at stated markets on the Continent, September 3 - December 11, 1930

Date	Paris	Milan	Berlin	Prague	Vienna	Budapest
	Cents	Cents	Cents	Cents	Cents	Cents
Sept. 3	167.9	181.2	162.4	-	98.6	73.1
" 30	173.8	176.2	149.8	105.1	92.9	72.6
Oct. 9	172.7	176.2	148.5	105.1	90.9	74.5
" 16	168.5	174.8	145.9	105.1	90.9	72.4
" 23	174.9	174.8	143.9	105.1	91.9	72.4
" 30	174.9	171.9	151.7	107.1	90.9	71.2
Nov. 6	175.9	167.6	156.2	107.1	88.1	67.8
" 13	178.1	163.3	162.4	106.3	91.9	66.6
" 20	173.8	155.2	161.1	113.6	88.1	67.6
" 28	175.9	155.2	161.1	113.6	88.1	67.1
Dec. 4	175.9	-	164.3	-	88.1	68.1
" 11	175.9	152.3	157.2	109.6	87.1	67.1

Available reports on Continental stocks of wheat indicate considerable variation in the tendency at different ports and markets during November, but there can be no doubt that the disappearance out of domestic stocks was unusually large with imports nearly everywhere restricted. In November there has been a rise in port stocks as compared with October, chiefly because of heavy accumulation in Italy and Netherlands, and possibly to some extent in France. Wheat in storage at Rotterdam at the end of November, has reached the unusually high level of 7,000,000 bushels largely due, it appears, to the fact that much Russian grain has been directed to that port because of the restrictive measures imposed in France and Belgium. Stocks of Russian wheat in European ports, including English harbors, have recently been estimated about 18,000,000 bushels. Stocks of wheat at Antwerp, Hamburg and Berlin, however, have declined during November. Reports on public warehouse stocks in Hungary reflect a seasonal increase.

Table 6.- Continental European stocks of wheat the middle of October and November, 1929 and 1930

Location	1929		1930	
	Middle	Middle	Middle	Middle
	of	of	of	of
	Oct.	Nov.	Oct.	Nov.
	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels
Antwerp (visible).....	1,446	3,724	3,775	1/ 3,344
Rotterdam.....	2,756	1,543	4,042	1/ 6,063
Germany (farm stocks).....	84,363	72,372	83,775	71,429
Berlin (wheat and flour).....	2/ 1,363	3/ 1,337	1/ 1,746	3/ 1,498
Hamburg (rough estimate).....			698	551
Hungary (public warehouses)....	4,593	4,777	4,409	4,977
	:	:	:	:

1/ End of November Antwerp 2,572,000, Rotterdam 7,165,000 bushels.

2/ October 31. 3/ November 30.

Germany

November wheat market developments in Germany continued to indicate the probability of Germany's remaining a small buyer of foreign wheat until well after the turn of the year. The compulsory milling quota of 80 per cent domestic wheat has been extended through January and a number of additional measures adopted for the support of the domestic grain market. The milling quota does not seem likely to be materially reduced until domestic supplies have been worked down sufficiently to cause a certain amount of scarcity and a substantial rise in wheat prices.

The domestic market, after a small rise in the first part of the month following the increase in the wheat duty, remained relatively steady throughout November at a level around \$1.62 per bushel, the high import duty of \$1.62 per bushel and the milling regulation very effectively insulating the market from outside influences. Domestic marketing of grain increased materially in November but has since slackened off, particularly in the better grades of wheat, a development which is probably due to the general expectation that with the protection which now exists, prices are certain to advance as the season progresses. Millers, however, complain of slack demand for flour and are apparently confining purchases of grain to a minimum. The milling and flour trade state that there has been a noticeable decline in business as the economic depression has deepened.

The German rye market remained essentially unchanged with no particular marketing pressure evident since the general prolongation of fertilizer credits has enabled farmers to hold back their grain. Rye prices in Berlin are slightly lower than in the middle of November, in spite of evidence that the rye carry over and the new crop are being rapidly moved into consumption both for bread and feedstuff purposes. Germany has also been exporting some rye in spite of the suspension of the import certificate system, as trade returns show 11,100 tons leaving the country in October as compared with 8,600 in September, but this amount is of no material significance for the rye market. The success of the Getreide Handelsgesellschaft in disposing of large quantities of eosinized rye as feedstuff far overshadows exports as a means of disposing of the surplus.

A development of considerable potential significance for the bread grain market, has been the signing of the emergency decree on December 1. This decree contains, among other things, provisions for the compulsory mixing of 30 per cent of rye flour with wheat flour in all loaves of over 200 grams. The same law also permits the mixing, without special declaration, of 10 per cent of potato flour in pastries made predominantly of wheat flour, a provision expected to have some effect, considering the very low price of potato flour. Bakeries are also obliged in the future to display rye bread in their shops, which has not been obligatory before, and the decree also introduces penalties for enforcement of the bread law passed some time ago. The enactment of these additional measures is regarded by German agricultural interests as filling in most of the gaps in the government's campaign to safeguard the domestic grain markets.

Another recent development bearing on the government's grain market supporting activities, however, is the recognition of certain agricultural groups that the milling quota law must not be pushed to extremes.

Table 10.- Spot price per bushel of domestic wheat and rye in Germany, September 17 - December 10, 1930

Date	Wheat			Rye	
	Hamburg 1/	Breslau 2/	Berlin 3/	Berlin 4/	
	Cents	Cents	Cents	Cents	
Sept. 17	154.9	149.8	151.7	113.1	
24	152.3	150.4	150.7	96.8	
Oct. 1	153.6	147.2	144.6	90.5	
8	153.6	151.0	-	-	
15	153.6	150.4	145.9	85.0	
22	153.6	150.4	143.3	86.5	
29	153.6	152.3	151.0	90.2	
Nov. 6	157.5	153.6	154.6	90.2	
12	167.3	159.5	161.7	93.8	
19	-	-	-	-	
26	171.8	161.4	162.1	89.5	
Dec. 3	169.8	161.4	163.0	96.2	
10	164.7	158.8	157.2	95.0	

1/ Wheat of any German district of at least 75.5 kg. per hectoliter.

2/ Wheat of any German district of at least 75.5 kg. per hectoliter in carloads of 10,000 kg.

3/ "Markischer" wheat of 75-76 kg. per hectoliter.

4/ "Markischer" rye of 70-71 kg. per hectoliter.

a tendency which has been evident up to the present. It is now becoming recognized that the longer the milling quota remains high the more sharply it will have to be reduced later in the season. A sharp reduction in the quota at the end of the season might result in heavy imports and advance purchases which would extend their unfavorable influence over into the new crop year at a time when the new German crop would be coming on the market. The retention of a high milling quota, it is also pointed out, might force domestic prices to such a level as to compel a reduction of the import duty, such a reduction is compulsory under the law when wheat prices threaten to average higher than \$1.69 per bushel for the season. Recognition of these facts by the agrarian parties may tend to modify the government's grain policy after the turn of the year.

Net imports of wheat into Germany during November amounted to only 1,543,000 bushels compared with 3,585,000 in October and 4,179,000 in November 1929. The October figures for this year include 661,000 bushels of deferred duty entries, i.e., wheat brought in during the preceding six months under certain provisions permitting the deferment of duty payment for a six months' period. This privilege has just been curtailed by the introduction of quarterly instead of semi-annual settlements.

German farm stocks of grain on November 15, as estimated by the German Agricultural Council, indicates somewhat larger movement from the farms this autumn. Although the wheat crop was about 8 million bushels above last year's stocks on November 15, were slightly smaller than a year earlier. The reduction in stocks between October 15 and November

15 was, however, less than had been generally expected following a period of low imports and restrictive measures. It is believed to indicate a reduced consumption and possibly smaller stocks at consuming points.

Table 11.- Grain stocks on German farms, November 15, 1929 and 1930

Grain	Farm stocks		Available for sale	
	1929	1930	1929	1930
	1,000 bush.	1,000 bush.	1,000 bush.	1,000 bush.
Winter wheat	64,600	62,400	52,000	51,600
Spring wheat	8,400	8,600	6,900	6,900
Winter rye	205,400	189,000	116,000	105,000

Based on the percentage estimates of the German Agricultural Council.

France

The tendency of prices in French wheat markets was slightly downward during most of November, with farmers continuing to market slowly, but the trade showing little buying interest in either domestic or foreign grain. The occupation of farmers with field work was an important factor restricting sales of domestic crops, but it also appears that reluctance to sell is based partially on expectation of higher prices for this year's smaller crop.

At the close of November some improvement of trade demand for both domestic and foreign grain has been reported, and prices have recovered slightly, but as yet there is no indication of the government's intention to relax the milling regulation permitting the grinding of only 10 per cent foreign wheat. However, millers are beginning to complain of inability to secure wheat of a quality satisfactory for their purposes. This fact seems likely, sooner or later, to bring about some relaxation of the milling prescriptions to permit a larger import of good quality foreign grain. The general average quality of native grain now being marketed is reported to be declining steadily. Lighter grades of wheat are fairly abundant, but millers do not show much interest in such grain.

It is of interest to note that October imports of wheat in France showed a considerable rise, amounting to 5,335,000 bushels as compared with 11,777,000 bushels from July to September. It continues to appear that France will have import requirements above the 33,000,000 bushels estimated by the French Department of Agriculture several weeks ago, although the milling quota must be lowered before an extensive demand can develop.

French reports on autumn field work and seeding indicate that excessive rains and floods have greatly hampered operations and probably caused considerable damage to wheat already sown. The bad weather has persisted throughout most of the month, with fields in many places under water. While later developments may offset this damage, it seems possible that the winter wheat acreage may be effected by the unfavorable conditions.

Italy

Italian wheat markets have been generally inactive throughout November, apparently a direct result of the fact that October business in the wheat market was unusually large, with port arrivals reported at 12,000,000 bushels. Trade reports indicate that November opened with a rather generally over-bought condition, and this fact has apparently not been without effect throughout the month. November reports continue to indicate extensive stocks of foreign wheat at the ports, especially of Russian grain, the movement of which has been stimulated by the Russo-Italian trade agreement, which provided for large imports of wheat from Russia in exchange for Italian industrial goods. It is stated that supplies of foreign grain in Italy are sufficient to cover requirements for some time yet, so that renewed import activity on an important scale does not seem likely until after the turn of the year.

The tendency of prices of both domestic and foreign grain on the Italian market has been steadily downward during November as a result of the conditions pictured above, though the recession appears to have halted at the close of November.

Field work and sowing of winter grain has gone on under very favorable circumstances in Italy, with the crop making excellent progress up to the end of November. Considering Italian efforts to increase wheat production and the favorable conditions for seeding experienced this autumn, it seems probable that an increase in winter acreage has occurred, though definite information of this fact is still lacking.

Netherlands

Dutch wheat markets experienced generally quiet business during November, particularly so for domestic and German mill account, though Belgian and English inquiry brought some improvement at the close of the month. The bulk of the months transactions centered around spot Russian wheat, stocks of which have reached large proportions at Rotterdam, where total wheat in storage has risen to nearly 7,000,000 bushels at the end of November as compared with 1,000,000 a year ago. Next in importance after Russians, were sales of Danube and Manitobas.

Belgium

November wheat trading in Belgium was also rather limited, with flour millers reluctant to purchase because of the favorable Argentine and Australian reports. Some demand, however, developed for cheap Rotterdam offers. Stocks at Antwerp are important but not excessive, and have declined during November, apparently as a result of the diversion of Russian wheat to Rotterdam following the Belgian import restriction. Stocks at Antwerp include chiefly hard winter and Danube wheat.

Czechoslovakia

Wheat markets in Czechoslovakia during November have been under the influence of the new milling and mixing law, which requires 75 per cent of all wheat milled per month to be of domestic origin, and provides for an analogous rye quota of 95 per cent. The law further stipulates that foreign wheat and rye flours must also be mixed in the same proportions. The milling regulations came into effect upon publication of the law (middle of November) while the mixing regulations became effective at the end of the month.

Considering purchasing interest for domestic wheat by the flour mills developed during the second half of the month and prices increased, while foreign wheat remained neglected. It does not seem likely, however, that the new law will materially affect Czechoslovakian import needs for the season as a whole.

Austria

November business on the Austrian wheat market was very quiet and prices for domestic grain declined following some recovery early in the month. Trading in wheat flour, however, was good and demand proving sufficient to insure a continued good current flow of production for the flour mills for the time being.

Recent press reports announce renewed interest in, and plans for, the erection of a grain import monopoly in Austria. The facts appear to be, as reported last month, that there is no intention of introducing any monopoly before 1931-32. The plan or discussion of such a monopoly is an outgrowth of Danubian and Balkan efforts to set up an agrarian block of these countries with the hope of negotiating special or preferential treatment for their farm products in the importing countries of Europe. Should some preferential system for Austrian industrial goods in the Danube grain countries prove feasible, the introduction of a grain monopoly in Austria in an effort to accord preference to Danube grain without violation of the most-favored-nation clause is entirely possible.

Norway

The annual report of the Norwegian grain monopoly administration for the season 1929-30 states that import purchases amounted to 3,968,000 bushels of wheat, 6,885,000 bushels of rye, 1,075,000 bushels of barley, 3,651,000 bushels of oats, 65,000 short tons of wheat flour and 2,400 short tons of barley grits. Domestic grain was purchased to the extent of 28,100 short tons, namely 125,000 bushels of wheat, 35,000 bushels of rye, 459,000 bushels of barley, and 758,000 bushels of oats.

As a result of the low rye prices, the monopoly administration has held a large stock of rye throughout the year, while wheat was purchased in small quantities, as needed for immediate requirements. Stocks of the monopoly administration on June 30, 1930, amounted to 1,139,000 bushels of wheat, 2,598,000 bushels of rye, 322,000 bushels of barley, 136,000 bushels of oats, 4,200 short tons of wheat flour, and 350 short tons of barley grits.

As Norway's wheat crop this year is placed at 776,000 bushels compared with 750,000 last year, wheat import requirements do not promise to differ significantly from last year's, though cheap rye prices might influence takings slightly.

The 1930 grain crop 1/

Although reports continue very meager as to the actual outcome of the 1930 Russian grain crop, the previously reported optimistic views on the crop results are being repeated in the latest figures available from Russia, which indicate a grain crop some 17,000,000 short tons above that of 1929. Almost all of this increase is indicated to be in bread grains, chiefly wheat. Soviet reports state that the wheat crop amounted to 1,157,400,000 bushels,

1/ Figures mentioned in the statement about the 1930 grain crop have been arrived at by calculation on basis of available percentage data and published figures for 1929; a revision of the 1929 figures, therefore, would necessitate a revision of the 1930 figures as well. The International Institute at Rome places the total cereal crop at 84,000,000 short tons in 1929; the 1930 crop would then amount to over 100,000,000 short tons, but the Russian Representative at London recently put the 1929 crop at 80,000,000, thus bringing this year's estimate down to about 97,000,000 short tons.

or about 455,000,000 bushels above that of 1929, owing to a 13 per cent increase in the acreage left for harvest, and to a 38.3 per cent increase of yield. Several factors account for the increase of yield, one of the most important being the much more favorable weather conditions in 1929-30 compared with the foregoing year, when winter damage was large and the crop in the eastern section of the Union, chief producer of spring wheat, materially reduced by summer drought. The rye crop also showed an increase as compared with 1929, but the increase was not so large as that of wheat and was probably chiefly due to the smaller winter kill and winter damage, as growing conditions in the summer of 1930 were rather unfavorable in important rye producing areas of the Union. Although no figures are available, it appears that the rye crop amounted to around 980,000,000 million bushels, which is an increase of over 10 per cent compared with 1929.

The 1930 procuring campaign

No improvement in the pace of procurings has taken place during the four weeks under review, with the press continuing to complain of the slow development of procurings as endangering the timely execution of the yearly plan. Up to December 10, procurings amounted to 87 per cent of the yearly plan, while, according to the intentions of the Government, the whole plan was to have been procured by December 1 in the main grain regions and by December 15 for the Union as a whole.

It is possible that this relatively unfavorable progress of grain procurings has some connection with the rumored exhaustion of stocks at export ports. Procurings, however, have far surpassed those of last year in actual amount, so that, in spite of the relatively unfavorable execution of the plan, the Government is in possession of larger quantities of grain than a year ago, with the procuring campaign still going on.

The autumn sowing campaign

The autumn sowing campaign may be regarded as practically finished by November 15, although it was still probably going on at the end of November in Middle Asia and Transcaucasus, rather important winter wheat and barley producing regions of the Union. The campaign came to a relatively favorable close in the southern regions of the Union, as far as area is concerned, with an expansion of the 1930 autumn sown acreage of 13 per cent reported for North Caucasus and some 11 per cent increase in Ukraine; however, in consequence of nonexecution of the plan in some other important producing regions and the slow development of the campaign in Middle Asia and Transcaucasus, the plan for the Union as a whole, which foresees an increase of acreage of 9.6 per cent as compared with 1929, was executed to only 91 per cent by November 15. This means an acreage about equal to that of last year for all winter grains together. With respect to the share of the different crops in the total sown acreage, it also appears that the relationship has not changed materially as compared with last year, although some shift in favor of wheat has probably taken place. Continuation of seeding in Middle Asia and Transcaucasus would also further increase the wheat acreage. The reported expansion of acreage in the southern regions of the Union, which are important producers of winter wheat and the chief export regions of the Union, can become of great importance for next year's crop if the plant is favored by good weather, but it is stated by reliable sources that wheat sown after October 15 over most of the winter wheat area must be regarded as sown too late, and likely to give unsatisfactory results unless weather conditions come to the rescue of the crop.

In Germany wheat and rye prices have been maintained at levels above a world market basis. This has been largely due to tariffs and the import certificate system of encouraging exports, but the activities of a trading corporation have also been of significance in the German rye market and are of especial interest at this time. The German Grain Trading Company (Deutsche Getreidehandels-Gesellschaft m.b.H.) was formerly a private company and was founded in 1926 as successor to the Federal Grain Office. (Reichs Getreidestelle). The purpose of the company is to stabilize or regulate rye prices at a reasonable level and about 20 per cent below wheat prices. It is under the supervision of the Reich Ministry for Nutrition and Agriculture through the person of a Federal Commissioner appointed in 1926 whose duties involve supervision of the company's activities and seeing to it that rye prices are held in about their pre-war relationship to wheat prices, that the planting of light soils with rye be maintained, and generally that the food supply in Germany be safeguarded. Of late, the policies of the Company, which for the sake of brevity is called the DGH, have developed entirely in the direction of a market supporting company with its activities determined entirely by the Federal Ministry for Nutrition and Agriculture and by the Commissioner. The Federal Commissioner is responsible for the execution of the Government's policy in market supporting activities. The German grain trade, millers, and bakers, have representation on a so-called Advisory Council, but apparently they do not have any very material influence upon the policies of the DGH.

During the first two seasons of its existence, that is 1926-27 and 1927-28, the activities of the DGH were limited. Rye prices were relatively high because of the small crops of 1926 and 1927 and because of fairly high world wheat prices. In 1928, Germany had a large rye crop and this together with declining wheat prices resulted in the price of rye falling from a level close to 182 cents per bushel at Berlin to about 121 cents per bushel. When it became apparent in 1929 that a second good crop of rye was in prospect, prices slumped sharply. With quotations at about 118 cents per bushel at Berlin during August, 1929 the DGH started an extensive support of the rye market, following the increase of the duty on rye from 30 to 36 cents per bushel. The operations supporting the market were continued until September, 1930.

In order to strengthen and unify its policies and the administration of the general market supporting activities of the DGH, the Federal Minister for Nutrition and Agriculture, in November, 1929, named a new Commissioner for the DGH, Dr. Baade, formerly a member of the administrative council of the Getreide-Industrie- und Commissions- A.G., and also the agrarian policy theorist of the German social-democratic party. This selection had particular significance since the Getreide-Industrie- & Commissions-A.G. (GIC) is a grain trading and flour milling concern, the financial control of which was purchased by the Preussische Zentral-Genossenschaftskasse and the Rentenbank Kreditanstalt in 1928, with the purpose of acquiring an important instrument in the promotion of the cooperative grain business. This company serves particularly as a central selling organization for the cooperative grain trade and has become the largest rye trader in Germany.

1/ Based on a report of Agricultural Commissioner Loyd V. Steere, Berlin, Germany, December 1, 1930.

The furtherance of the cooperative grain business through the GIC is handled through loans on cooperative grain. When, in November 1929, Dr. Baade was named Federal Commissioner for the DGH and at the same time for the GIC, a close cooperation between these two agencies was actually accomplished. It was no longer possible for the two agencies to work against each other, as had happened at times prior to the agreement. Most of the market supporting purchases of the DGH from then on have been done through the GIC, on the basis of an agreement between the two organizations.

As the activities of the DGH can be understood only in connection with the German agricultural tariff policy it is necessary to consider the tariff measures which have been taken during the course of the year since the market supporting activities of the DGH attained importance. In December 1929 all grain duties were raised and the new rates came into effect for the most part around the middle of February 1930. The new rates were put on a sliding scale. Negotiations with Poland were entered into in order to establish cooperation with the second largest rye exporter outside of Russia in the export market. In January 1930 the feed barley duty was raised in order to support rye prices from the feedstuff side. The German-Polish rye agreement was concluded on February 18, 1930, and gave the DGH at times, at least, a practical export monopoly for rye. However, Germany profited little by this agreement and soon left the foreign rye market almost entirely to Poland and Russia because the low world price necessitated an immense export premium in the form of import certificates to make Germany, with its domestic rye prices raised by various artificial measures, competitive in foreign rye markets. By January, 1930, the funds of the DGH for intervention on the grain market were practically exhausted, but under the new agreement to do business through the GIC, the latter obtained a loan of \$7,146,000 from its bankers for the DGH, which in the summer of 1929 had received several million Marks from the Minister for Nutrition and Agriculture for additional help in financing its market supporting activity.

Through the use of the new funds it was possible for the DGH to hold the Berlin rye price around 97 cents per bushel from January 15 to March 15, but shortly before the spring sowing season, the DGH had to discontinue its purchases and rye fell to 85 cents. The DGH had acquired a stock of 15,747,000 bushels and its means were again exhausted. The federal government, upon request of the DGH, guaranteed it against eventual losses on its holding of 15,747,000 bushels of rye to the extent of \$3,573,000.

March and April 1930 were characterized by efforts to liquidate the engagements accumulated during the previous market supporting campaign, and to assist in holding up rye prices, a new increase in feed grain duties was made and the price of corn was raised through the introduction of a corn monopoly, the only possibility of regulating the price of corn since the import duty was fixed in trade treaties. The DGH was successful in disposing of 3,937,000 bushels of rye without much loss during the month of April because of a bullish market development during the month following the coming-in of a new government with Herr Schiele as Minister of Agriculture.

On April 15, 1930 the federal government received Reichstag authorization to raise and lower grain duties at will as the market situation dictated. Rye and feed barley duty rates were again increased. The budget for 1930-31 allowed an additional \$1,786,500 for grain measures and the profits accruing from the corn monopoly were also allotted to the Minister of Agriculture for the continuance of supporting purchases. The exports of rye by the DGH under the German-Polish agreement attained 1,575,000 bushels in May 1930, an important reduction of the stocks which had accumulated, but this was only possible through an increase in the import certificate premiums.

In June 1930, in order to stimulate the sale of the rye held by the DGH, a new measure was introduced: the "eosinizing" (coloring with eosine) of rye for sale to German hog-feeders at a price of 85 cents per bushel, a price greatly below the purchase price of the DGH stocks. This step was only possible as an introductory price measure, and by using funds of the Federal Ministry of Agriculture to cover the loss. Up to the end of August, the DGH had sold 11,810,000 bushels of eosinized rye, undoubtedly aided by the fact that feed grain prices had been moving upward, partly as a result of the duty and corn monopoly policy, partly as a result of feed grain crop developments.

Around the middle of the year the issuance of certain import certificates was discontinued in order to secure additional means for rye market supporting activities (including eosinizing). This became necessary as the DGH constantly purchased about the same quantity of new rye that it sold currently under the eosine plan. The federal government reserved \$2,382,000 for the eosine activity and, upon authorization to use money saved from import certification for market supporting purchases placed an additional \$4,764,000 at the disposal of the DGH. At this time, an active rye propaganda campaign was also inaugurated and a bread law was passed by the Reichstag which called for the use of prescribed mixtures in the manufacture of mixed bread, and for a maximum percentage extraction for the milling of rye. This was also designed to increase the consumption of rye and to aid the market supporting activities being carried out by the DGH.

On August 8 the rye stocks of the DGH still amounted to 9,448,000 bushels and the early movement of the good 1930 rye crop made necessary the use of increased means to support the market. The available funds were soon exhausted, and at the end of August the DGH received a new credit of \$7,146,000 through the GIC from the banks of the latter, and with these new funds started an active campaign to raise prices which brought the Berlin quotation for rye on September 1, 1930, up to 113 cents per bushel a level that was held until September 17, 1930. This heavy price advance, however, brought out immense offerings on the spot market, so that at times only 10 per cent of the quantities offered were taken up by the DGH at the official price. Thus the official price became fictitious and private quotations moved around 6 to 9 cents per bushel below the official quotation. On the other hand, the DGH took up all futures offerings and held the price for future months about in normal relation to the price it paid for spot grain.

This resulted in the trade being able to purchase spot rye 6 to 9 cents per bushel below the official quotation and to sell the rye at a premium price for later months and to carry that rye at relatively low cost. Soon the engagements of the DGH accumulated to 23,621,000 bushels.

On September 8, 1930, the price for the eosinized rye was increased to 121 cents per bushel (later, this price was lowered to 103 cents per bushel) at which price a mixture was sold consisting of three-fourths rye and one-fourth potato flakes. In order, however, to make the purchase of this mixture attractive, the import duty for feed barley was reduced from 62 to 31 cents per bushel for purchaser taking one ton of the rye-potato-flakes mixture at the fixed price from the DGH stocks for each ton of feed barley. The reduction of the tariff rate for feed barley meant an additional subsidy for the market supporting activity of the DGH out of the tariff revenues.

The increasing pressure of marketing also gradually exhausted the new funds of the DGH, although the Federal Minister for Nutrition and Agriculture sacrificed new funds saved through the discontinuance of import certificates on additional products, and on September 18, 1930 the market supporting campaign of the DGH was definitely discontinued. The price of rye fell from 187 to as low as 85 cent per bushel at Berlin in October and within a few days the DGH lost millions of Marks. Present prices are fluctuating around 91 cents per bushel.

In many ways the market supporting activities of the DGH appear to be a failure especially in view of the inability to maintain rye prices at a high level. Perhaps the greatest fault has been the attempt to support the market with only very limited funds, the organization never having been in a financial position to develop a long-time policy. The policy of supporting the Berlin market resulted in drawing to that market a larger amount of rye than was needed, and consequently involving considerable economic waste. Altogether it appears that in the vicinity of \$35,730,000 has been spent by the Company during the period when it attempted to support the rye market and at the end of that period its principal assets amounted to 23,620,714,000 bushels of rye which at 91 cents per bushel would amount to \$21,438,000. Whether the difference of \$14,292,000 has actually been lost will depend upon whether the DGH will be forced to sell its rye holdings at current prices. The final results of the activities will depend largely upon its success with the "eosine" rye. Successful support of the rye market by eosinizing will be possible, however, only if the rye surplus is not too large and will of course impose a burden upon consumers through the increased cost of live-stock production. It is thought that between 27,558,000 and 31,494,000 bushels of rye can be disposed of in this way yearly. This, together with the reduced 1930 crop, the tariff, milling regulations, and other measures, may make for an improved price of rye during the remainder of the season though from a long-time viewpoint, the outlet for the rye surplus as feed has distinct weaknesses.

Table 12 - Wheat, including flour: Shipments from principal exporting countries

Country	Total shipments: or exports		Shipments, week ended		Total shipments or exports from July 1 to and including Dec. 15	
	1928-29	1929-30	Nov. 29	Dec. 3	Dec. 13	1929-30
	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels
North America 1/	499,942	301,342	3,136	8,300	6,846	144,634
Canada, four markets 2/	458,649	193,380	9,300	6,975	1,935	116,204
United States	155,687	153,316	1,307	1,708	1,124	85,989
Argentina	227,059	161,265	904	924	531	91,959
Australia	197,785	61,892	1,000	1,896	1,848	19,959
Russia	8	5,672	4,392	3,824	2,416	0
Danube and Bulgaria 3/	35,975	18,640	112	264	568	12,904
British India	4/5,687	4,957	16	0	40	2,403
Total 5/	874,456	555,768	9,560	15,208	12,249	271,839
Total European ship- ments 6/	705,596	490,488	10,568	-	-	218,088
Total ex-European shipments 6/	220,664	141,904	2,800	-	-	63,706

Compiled from official and trade sources.

1/ Bradstreet's, week ended Thursday, including flour converted at 4.5 bushels per barrel. 2/ Port William, Port Arthur, Vancouver and Prince Rupert. 3/ Hungary, Yugoslavia, Rumania and Bulgaria. 4/ Net imports for year 1928-29 were 21,861,000 bushels, 1929-30 figures not yet available. 5/ Total of trade figures include North America as reported by Bradstreet's. 6/ Total as reported by Broomhall's Corn Trade News.

Table 13 - Wheat including flour: Exports from principal exporting countries, September, October, November, 1929 and 1930

Country	Sept.		Oct.		Nov. 1/	
	1929	1930	1929	1930	1929	1930
	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels
United States	18,568	17,628	14,922	12,551	15,155	6,315
Canada	9,826	31,123	23,215	33,446	24,866	34,784
Argentina	19,854	1/2,680	17,322	1/5,000	8,308	2,912
British India	374	1/752	338	1/256	348	256
Australia	4,445	1/4,144	1,930	1/7,808	2,409	5,460
Russia 1/	0	6,776	0	22,256	0	23,328
Danube and Bulgaria 1/	3,008	3,950	4,200	1,920	3,640	1,792
Total	55,865	67,252	61,927	63,247	54,726	74,647

Compiled from official and trade sources.

1/ Preliminary.

Table 14.- United States: Exports of wheat and wheat including flour, by weeks, 1929 and 1930

Week ended	Wheat		Wheat flour		Wheat including flour	
	1929	1930	1929	1930	1929	1930
	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels
July 5 - Aug. 2	8,912	12,937	969	854	13,467	16,051
Aug. 9 - Aug. 30	16,060	14,057	727	887	19,477	18,226
Sept. 6 -	2,858	3,386	154	125	3,582	3,974
" 13.....	3,485	2,451	217	303	4,505	3,875
" 20.....	3,087	3,060	266	309	4,337	3,906
" 27.....	1,377	2,367	270	347	2,646	3,998
Oct. 4.....	1,829	1,352	205	299	2,793	2,757
" 11.....	2,054	2,047	158	235	2,797	3,151
" 18.....	2,382	1,352	202	178	3,331	2,189
" 25.....	1,140	666	342	256	2,747	1,869
Nov. 1.....	1,554	859	194	227	2,466	1,926
" 8.....	1,320	1,097	106	223	1,818	2,145
" 15.....	2,561	517	268	163	3,915	1,283
" 22.....	1,808	819	184	162	2,673	1,580
" 29.....	1,465	99	150	257	2,170	1,307
Dec. 6.....	2,509	1,214	246	105	3,665	1,708
" 13.....	1,753	555	171	121	2,557	1,124

Compiled from weekly report of the Department of Commerce.

Table 15.- Wheat Including Flour: Shipments from principal exporting regions, specified dates, 1929 and 1930

Week ended	Argentina		Australia		Danube		North America	
	1929	1930	1929	1930	1929	1930	1929	1930
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels	bushels	bushels
July 5-Aug. 2	17,644	4,892	5,744	6,324	456	408	36,101	37,547
Aug. 9-Aug. 30	23,744	3,812	5,236	4,812	504	1,368	22,451	38,304
Sept. 6.....	6,008	468	1,704	512	120	592	4,000	8,212
" 13.....	3,684	900	1,404	560	926	1,280	7,280	10,063
" 20.....	5,520	968	1,044	1,752	784	432	3,743	9,512
" 27.....	3,920	544	608	1,320	1,176	1,646	5,053	9,353
Oct. 4.....	5,292	876	616	1,316	992	632	4,649	6,389
" 11.....	4,748	700	308	880	752	208	5,568	9,490
" 18.....	4,608	1,296	232	2,060	1,280	600	5,922	5,827
" 25.....	4,644	1,392	468	1,784	816	336	5,122	6,980
Nov. 1.....	1,208	736	748	1,768	360	144	5,915	8,820
Nov. 8.....	2,712	600	528	1,848	896	528	6,225	6,851
" 15.....	2,300	864	292	1,724	1,232	632	4,645	6,671
" 22.....	2,068	544	824	888	680	520	9,043	8,312
" 29.....	1,220	904	196	1,000	832	112	5,407	3,136
Dec. 6.....	3,408	937	524	1,896	736	264	8,153	8,300
" 13.....	3,312	531	1,056	1,848	360	568	5,350	6,846

Compiled from official and trade sources.

Table 16 Wheat including flour: Net imports into European
importing countries 1929-30 and 1930-31

Country	1928-29	1929-30	Prelim. estimate 1930-31	Net imports reported		
	1928-29	1929-30	1930-31	July 1 to	1929-30	1930-31
	Million bushels	Million bushels	Million bushels		Million bushels	Million bushels
United Kingdom	204	202	200-210	Oct. 31	84	79
Italy	90	43	80- 90	Nov. 30	12	31
Germany	68	60	60- 65	Nov. 30	29	16
France	51	20	70- 80	Oct. 31	20	8
Belgium	41	43	40- 45	Sept. 30	12	13
Netherlands	29	30	30- 32	Oct. 31	11	14
Czechoslovakia	17	14	13- 15	Sept. 30	3	4
Greece	22	22	21- 23	Oct. 31	6	8
Irish Free State	18	17		July 31	2	1
Austria	15	18	15- 18	Sept. 30	4	4
Switzerland	15	17	16- 17	Oct. 31	8	7
Sweden	8	7	5- 7	Oct. 31	3	3
Norway	9	7	7- 8	Oct. 31	3	3
Denmark	17	8	9- 11	Oct. 31	3	3
Finland	6	6	5- 6	Oct. 31	2	2
Poland	4	1 1/2	0	Oct. 31	1	2
Spain	3/ (15)	4	5- 10	Oct. 31	4	1 1/2
Portugal	3/ (8)	6	2- 3	Oct. 31	3	1
Estonia	1	1	1- 2	Sept. 30	1	1
Latvia	2	2	2- 3	Aug. 31	1	1
Total	640	527			209	198

1/ Less than 500,000. 2/ Net exports. 3/ Unofficial. 4/ Estimate.

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WORLD WHEAT PROSPECTS

Low levels of world wheat prices have continued through January in spite of a temporary improvement early in the month. Surpluses of wheat still available for export and carry-over as of January 1 in the four important non-European exporting countries appear to be over 100 million bushels in excess of those at this time a year ago. In addition surpluses in the Danube Basin are somewhat larger than a year ago and Russia probably still has wheat to export. However, poor quality of some of the foreign supplies, together with the low returns obtainable for wheat may encourage domestic consumption beyond normal and correspondingly reduce their surplus.

It seems likely that takings by importing countries will pick up during the remainder of the season, but there is no prospect that these takings will be enough to bring the world carry-over down to a normal level. Increases in import tariffs on wheat and flour in some non-European countries, as well as increases in duties and other restrictions on the use of foreign wheat in several European importing countries, have further contributed to reduce demand of an already highly restricted market. Exports from the Danubian countries have been slow so far this season, partly because holders within the countries have been unwilling to sell at the low world prices prevailing. The Governments of those countries are taking measures to relieve the distress of the wheat growers, and some of these measures will tend to encourage the exportation of wheat.

World durum wheat supplies for 1930-31 appear to be somewhat smaller than last year. United States exports of durum have been better than last year, due partly to the small crop in Italy, one of our most important markets.

Early indications give no evidence of any material reduction in wheat acreage for the 1931 harvest. Winter wheat seedings reported in foreign countries have been equal to or better than last year except where poor weather interfered with seeding operations. Information available gives little promise of any material reduction in spring wheat seedings in foreign countries.

Thus far weather conditions have been generally favorable for the fall sown crop in the United States, though the lack of snow cover makes heavy winter-killing possible if severe cold or alternate freezing and thawing should develop. Prices in the United States now average in the vicinity of 30 to 35 cents per bushel above an export parity. If prices in the United States are to be on a normal export basis next summer, this would mean that world prices would have to rise about 30 to 35 cents per bushel in order for United States prices to remain at their present levels.

Production 1930 crop

World production of wheat outside of Russia and China is placed at 3,777 million bushels compared with 3,498 million in 1929 and 3,976 million in 1928.

The Canadian estimate for 1930 has been increased by about 2 million bushels, bringing it to 398 million. Inspections through December totaled 176 million bushels or about 44 per cent of the crop as against 127 million or about 42 per cent of the crop in the same period last year. About 70 per cent of the inspections to date or about 124 million bushels have been graded No. 3 Manitoba Northern or better as against 87 per cent or 111 million bushels last year.

Total European production is now estimated at 1,368 million bushels, a decrease of 85 million bushels from the crop of 1929. The surplus producing countries of the lower Danube, Rumania, Bulgaria, Hungary and Yugoslavia, have crops officially estimated at 354 million bushels, 31 millions above 1929. Exportable surpluses of these countries are not generally believed to be as heavy as the production figures would indicate. Some reports received by our Agricultural Attaches in Europe suggest that the actual crops may be somewhat smaller than the estimates, and that even if the figures do represent the actual crop, increased domestic consumption may reduce the exportable surplus to some extent. According to Agricultural Attache Michael no exportable surplus was carried over on July 1, 1930 in the surplus producing countries, except in Hungary where about a million bushels is said to have been held over in the form of flour.

Total production in European importing countries including the United Kingdom is now estimated at 1,013 million bushels compared with 1,127 million in 1929. The 1930 estimates of production in Germany and Poland have each been increased by about 8 million bushels. French production as officially reported at 231 million bushels is about 89 million below 1929. Other reports indicate the possibility of still further reduction from last year. Crops in both France and Italy included much poor quality grain.

In Australia the estimate of production has been reduced about 10 million bushels to 205 million which is still 79 million above last year. Stocks of old wheat as of January 1 are estimated at 13 million bushels this year as compared with 10 million a year ago, according to Agricultural Commissioner Paxton at Sydney. These figures would indicate a total supply of 218 million bushels, an increase of 32 million bushels above last year. Unfavorable harvesting weather in December, with heavy rains and some hail, has probably hurt the quality somewhat, and may reduce the amount available for export. Some bleaching has been reported as well as shattering and lodging. Wet weather in Argentina may have hurt the quality somewhat there also.

Table 1.- Wheat: Production in specified countries, average 1909-1913, 1923-1927, annual 1928-1930

Countries reported in 1930 1/	:Average : 1909- : 1913	:Average : 1923- : 1927	: : 1928	: : 1929	: : 1930	:Percent. :1930 is :of 1929
WHEAT	: bushels	: bushels	: bushels	: bushels	: bushels	:Per ct.
United States	690,108:	809,668:	914,876:	809,176:	850,965:	105.2
Canada	197,119:	403,714:	566,726:	304,520:	397,672:	130.7
Mexico	2/ 11,481:	11,090:	11,031:	11,353:	11,274:	99.5
Total N.America (3):	398,708:	1,224,472:	1,492,633:	1,125,029:	1,260,111:	112.0
Europe (27)	1,344,300:	1,237,011:	1,406,619:	1,430,117:	1,366,299:	95.5
Est.European total :	:	:	:	:	:	:
excluding Russia ...:	1,348,000:	1,240,000:	1,408,000:	1,453,000:	1,368,000:	94.2
North Africa (5) ...:	92,047:	101,438:	107,816:	122,660:	99,934:	81.5
Asia (5)	389,374:	393,615:	339,160:	378,960:	446,209:	117.7
Total N.Hemis.(40):	2,724,423:	2,961,536:	3,346,228:	3,056,766:	3,172,553:	103.8
Total S.Hemis.(4):	243,834:	372,731:	516,183:	301,568:	489,017:	162.3
Total above coun. :	:	:	:	:	:	:
(14)	2,968,263:	3,334,267:	3,862,411:	3,358,154:	3,661,570:	109.0
Est.world total excl.	:	:	:	:	:	:
Russia and China ...:	3,041,000:	3,454,000:	3,976,000:	3,498,000:	3,777,000:	108.0

1/ Figures in parenthesis indicate the number of countries included.

2/ Four-year average.

There has been some seasonal falling off in wheat exports from Northern Hemisphere surplus producing countries in December, which has not been offset by the seasonal increases from Argentina and Australia. Total shipments reported from July 1 through January 17 from the United States, Canada, Argentina and Australia amounted to 288 million bushels compared with 298 millions in the corresponding period of the 1929-30 season. Russia had shipped out over 72 million bushels this season whereas none was shipped out in that period last year. Exports reported for the Danubian exporting countries in the first three to five months were only about 20 million bushels compared with 30 million in the corresponding periods a year ago. Shipments reported as going by way of the Black Sea have been small in later months also.

Based on official estimates of production and carry-over at the beginning of their respective crop years, the surplus available on January 1, 1931, for export and carry-over in the United States, Canada, Australia, and Argentina appears to be a little over 100 million bushels in excess of the surplus available a year earlier. The estimation of the surplus available for export and carry-over, however, involves considerable uncertainty this year due to very low prices obtaining in exporting countries, and to the feed grain situation in the United States.

In the United States it is particularly uncertain how much wheat will be used for feed. Reports as of November 15, indicated that about 236 million bushels of wheat had been fed, or were still to be fed during the 1930-31 crop season, and it is this estimate which has been used in arriving at the figure of 231 million bushels as available January 1 for export from the United States during the remainder of the season and for carry-over into the 1931-32 season.

While low prices will result in greater feeding in Canada, the increase is not expected to be as great as in the United States because Canada has fewer animals to feed and large supplies of low priced barley. In arriving at the figure of 240 million bushels as the surplus remaining for export and carry-over in Canada, it has been assumed that her domestic requirements will amount to 125 million bushels or 13 million in excess of requirements in 1929-30.

In Argentina, where the new crop year begins about January 1, the official estimate of exportable surplus has been used. For Australia, domestic consumption of the new crop has been assumed to be the same as that of the previous crop, and has been subtracted from the official estimate of production and carry-over. In both Argentina and Australia there has probably been some damage to the crop due to recent heavy rains, and this may result in the reduction of the amount of merchantable grain and a corresponding reduction in the exportable surplus.

The surplus available in Russia and the Danubian exporting countries is somewhat uncertain. Indications point, however, to a surplus in the Danube Basin of about 15 to 20 million bushels greater than a year ago. Russian exports since July 1 have amounted to between 70 and 80 million bushels, and while shipments have fallen off, the resumption of chartering for the spring months indicates that further material shipments are to be expected.

Table 2.- Wheat: Surplus for export and carry-over in the four principal exporting countries on January 1, 1927-1931

Country	1927	1928	1929	1930	1931
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
United States	192	171	299	327	<u>1/</u> 231
Canada	182	248	267	209	<u>2/</u> 240
Argentina	188	223	276	103	<u>3/</u> 200
Australia	117	87	110	91	<u>4/</u> 163
Total	679	729	952	730	834

Compiled as follows for the years 1927-1930.

United States: Net exports January 1-June 30 plus carry-over as of July 1.

Canada: Net exports January 1-July 31 plus carry-over as of July 31.

Argentina: Carry-over of old crop plus estimate of new crop minus home consumption.

Australia: Exports during the calendar year plus carry-over at the end of the year.

- 1/ Based on total supplies as of July 1 minus exports to January 1 and domestic requirements for the year, including 236 million bushels reported as having been fed or intended to be fed as of November 15.
- 2/ Based on total supplies as of August 1 minus exports August 1 to January 1 and assuming domestic requirements of 125 million bushels, or 13 million in excess of 1929-30.
- 3/ As officially reported.
- 4/ Based on the estimate of production and carry-over, assuming domestic consumption to be the same as last year. Some damage to the quality of the crop as well as low prices may result in increased domestic consumption.

Table 3.- Wheat including flour: Net exports from European exporting countries, 1928-29 to 1930-31

Country	1928-29	1929-30	Frelim. estimate	Net exports reported	1929-30	1930-31
			1930-31	July 1 to		prelim.
	Million bushels	Million bushels	Million bushels		Million bushels	Million bushels
Bulgaria	1	<u>1/</u>	5 - 10	Oct. 31	<u>1/</u>	1
Hungary	13	31	15 - 18	Oct. 31	13	8
Rumania	2	3	15 - 20	Sept. 30	<u>1/</u>	7
Yugoslavia	8	24	5 - 7	Nov. 30	17	4
Total	24	58	40 - 55		50	20

- 1/ Less than 500,000 bushels. In the latter half of 1929-30 Bulgaria was on an import basis.

Wheat and flour tariffs of importing countries

An important factor which, during the past year, has affected the wheat situation has been the raising of tariffs in several of the continental European countries and the promulgation of milling restrictions. These measures have tended not only to reduce the imports into these countries, but also to prevent an accumulation of stocks and to encourage increased acreage. So long as these barriers are maintained they will tend to restrict the outlet for wheat from other countries.

The greatest increases in duties on wheat have been in Germany and France. Greece, Italy, Czechoslovakia and Mexico, however, have also made appreciable changes. Most of these countries have also increased the import duty on flour.

Table 4.- Import duties on United States wheat per bushel in principal foreign markets, January 1930 and 1931

Country	Jan. 1930	Jan. 1931
	<u>Dollars</u>	<u>Dollars</u>
United Kingdom	free	free
Irish Free State	free	free
France	0.54	0.86
Belgium	free	free
Netherlands	free	free
Denmark	free	free
Norway	free	free
Germany	0.62	<u>1/</u> 1.62
Czechoslovakia	0.24	0.44
Italy	0.74	0.87
Spain	0.74	0.74
Portugal	fixed at time of import	fixed at time of import.
Sweden	0.27	0.27
Gibraltar	free	free
Azores <u>2/</u>	fixed at time of import	fixed at time of import.
Malta <u>2/</u>	0.29	0.29
Greece	0.40	0.60
Japan	0.20	0.20
China	<u>3/</u> free	<u>4/</u> free
Canada <u>2/</u>	0.12	0.35
Mexico	0.60	0.90
Panama	15% -- ad valorem	15% -- ad valorem
Colombia	0.31	0.31
Peru	<u>5/</u> 0.44	<u>5/</u> 0.44

Compiled from data compiled by the Division of Foreign Tariffs, Department of Commerce.

- 1/ Bread wheat. The duty on durum wheat for manufacture of semolina is only 73 cents per bushel, effective November 5, 1930.
- 2/ In transit, free of duty.
- 3/ Understood to be subject to minor local taxes.
- 4/ Minor local taxes understood to be removed, but the point has not been definitely determined.
- 5/ Does not include varying surtaxes (according to port) of about one-fifth of duty.

Table 5.- Import duties on United States wheat flour per barrel
in principal foreign markets, January 1930 and 1931

Country	Jan. 1930 1/ Dollars	Jan. 1931 2/ Dollars
United Kingdom	free	free
Belgium	0.099146	0.099146
Netherlands	free	free
Denmark	free	free
Norway	free	free
Sweden	0.84	1.31
Germany	3.93	10.78
Finland	2.69	3.36
Italy	3.49	4.07
Greece	2.68	3.22
China	free	free
Philippines	free	free
Canada	0.4944	1.49
Cuba	0.81	0.81
Mexico	5.59	8.05
Costa Rica 3/	5.79	5.79
Salvador	1.78	1.78
Guatemala	2.67	2.67
Panama	0.36	0.36
Guadeloupe	0.19	0.19
Martinique 4/	0.0698	0.21
Jamaica	0.43	0.43
Colombia	4.04	4.04
Venezuela	6.72	6.72
Brazil	1.00	5/ 1.03
Ecuador	2.67	2.67
Peru .. 6/	1.42	1.42
Bolivia	2.82	5.19

Computed from data compiled by the Division of Foreign Tariffs, Department of Commerce.

- 1/ Understood to be subject to minor local taxes.
- 2/ Minor local taxes are understood to be removed, but the point has not been definitely determined.
- 3/ Surtaxes not included, 5 per cent of duty in Limon and 2 per cent for other provinces.
- 4/ Plus 5 per cent ad valorem (octroi and customs surcharges).
- 5/ Duties charged only as exchange fluctuates, no change otherwise.
- 6/ Does not include varying surtaxes (according to port) of about one-fifth of duty.

Durum wheat situation

Early indications of a reduction in durum production in the more important commercial countries are being borne out by more complete information on the size of the harvest. Total production in six countries is now estimated at 165 to 170 million bushels as compared with 197 million in 1929 and an average of 182 million in the five years 1925-1929.

The decrease in production has come in Italy and North Africa. United States production is slightly above that of 1929 and the Canadian crop is indicated to be considerably larger than last year. Reports of average and other indications pointed to a crop of 20 to 22 million bushels in Manitoba. Inspections through December in the Western grain division, however, have been only about 2 million bushels heavier than in the same period last year, and it seems probable that the total amount brought into sight for the season may drop below the estimate of durum production. Whether this is due to reduced crop or a greater consumption on farms is uncertain. Italy's durum crop of about 49 million bushels is below the average whereas last year's crop of 69 million bushels was the largest on record.

Large stocks of old crop durum in the United States the beginning of the season increased the total supply materially but not enough to bring the total supply for the six countries up to the 5-year average.

The United States crop has been moving out of sight at about the same rate this season as last, leaving a balance about equal to that of last year. Disappearance from Minneapolis, a large proportion of which is consumed in domestic semolina and durum flour manufacture, appears to have been about three and a half million bushels greater than last year. Receipts from July 1 to the middle of January were nearly four million bushels greater while stocks increased less than half a million more than in the same period last year.

Shipments from Duluth, of which a large percentage are exported, amounted to 22 million bushels between July 1 and January 15 this season compared with 15 million bushels in the same period last season and 39 million in 1928-29. Other disappearances from Duluth appears to have fallen off, however, leaving total disappearance from that market since July 1 nearly 2 million bushels less than the middle of January 1930.

The improvement in our exports has been in the face of an increase in durum production in Canada and with durum supplies in Europe of Russian origin. Italy, an important market for our surplus, imported 5,707,000 bushels of durum in the period July-September of 1930 compared with 3,925,000 in that period of 1929 and 6,655,000 in 1928. Nearly all of the imports were of North American origin as usual but this year nearly half a million bushels were of Russian origin, against none from Russia in the same period of 1929 or 1928. Last year Italy took nearly a million bushels of durum from Russia later in the season. In view of the comparatively heavy Russian wheat exports reported in recent months it seems probable that Italian takings of Russian durum for the year will also be heavy compared with recent years.

Table 6.- Durum wheat: Production in specified countries, 1926-1930

Country	Harvest Year					
	1925	1926	1927	1928	1929	1930
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels Preliminary
United States:	65	48	83	102	57	59
Canada <u>1/</u>:	7	13	15	26	11	<u>2/</u> 15-18
Italy, revised	55	52	46	50	69	49
Algeria.....:	24	19	22	23	25	22
Morocco.....:	21	14	23	20	25	<u>3/</u> (13-15)
Tunis.....:	9	11	7	10	10	7
Total.....:	181	157	196	231	197	165-170

Compiled from official sources except as otherwise noted.

1/ Inspections in the Western grain division.

2/ Rough indication based on reports of production in Manitoba and inspections through December.

3/ Rough indication on the basis of the total crop.

Table 7.- Durum wheat: Italy imports by countries, July-September 1928-1930.

Country	July 1-Sept. 30		
	1928	1929	1930
	1,000 bushels	1,000 bushels	1,000 bushels
United States.....:	610	336	858
Canada <u>1/</u>:	6,034	3,585	4,183
Russia.....:	0	0	412
Argentina.....:	8	3	149
Germany.....:	2	0	0
Other countries.....:	1	1	105
Total.....:	6,655	3,925	5,707

Compiled from St. tistica del Commercio Speciale di Importazione e do Esportazione

1/ Includes much durum of United States origin shipped through Montreal.

Winter wheat areas and crop conditions

Early reports of wheat sowings in six European countries outside of Russia show a winter wheat area of 34,027,000 acres, which is about equal to last year. The slight increase of about 100,000 acres reported to date partially offsets the decrease in fall sown wheat in the United States and Canada. Total acreage in the exporting countries of the Danube Basin has decreased slightly in spite of generally favorable conditions. In the few importing countries for which information is available wheat acreage has increased except where unfavorable weather has prevented field work. Italy and Germany both report increased acreages. In Germany, however, the apparent increase may be partly statistical rather than actual. The 1930-31 figure is for area sown. Figures available for comparison for previous years are harvested acreage, so after allowance is made for winter killing the remaining acreage this year may not be much larger than last year. France had rainy weather in November which prevented sowing and unofficial reports indicate a substantial decrease in acreage. Belgium also experienced weather conditions unfavorable for sowing. Some of the reduction caused by poor weather conditions may be made up by increased spring sowings but spring sown grain acreage is usually small in comparison with fall sown in Europe other than Russia. Winter wheat usually comprises about 97 per cent of the total acreage in France, 98 per cent in Italy, 90 per cent in Rumania, and 98 per cent in Hungary and Bulgaria. Russia is reported as having an increase of 19 per cent or 4.7 million in winter wheat acreage.

In the Ukraine the area under winter wheat sown to November 15 is reported at 13,902,000 acres, an increase of 42 per cent over the 9,740,000 sown last year. Very little of the Ukraine increase was brought about by a shift from rye for which the acreage decreased only about 862,000 acres. There is little definite indication as to what the spring wheat acreage may be in Russia but given favorable weather conditions it is probable that there will be an increase.

Mr. Steere points out that it should be borne in mind that most European countries are anxious to plant in the area sown to wheat and that, where duty and other protection provided by the Government exists, prices have been fairly satisfactory to wheat farmers this year. It is often overlooked that although the price of wheat at Chicago has been around 80 cents or under for long periods, in Paris it has recently averaged \$1.76, at Milan \$1.60, at Berlin, \$1.60, at Prague \$1.05 and at Vienna \$.90 for domestic grain. Assistant Agricultural Commissioner J. B. Gibbs after a trip through the Yugoslav winter wheat belt reports that less manure and commercial fertilizers had been used this fall than usual, which will tend to reduce both the quantity and quality of the coming crop. Damage by field mice is reported at 2 per cent. The condition of the crop was considered good by local observers, although Mr. Gibbs found it somewhat less advanced than is usual in America at about the same time. Weather later has favored germination.

The condition of the winter wheat seedlings is generally favorable both in the United States and in Europe. In Europe, however, conditions, on the whole, are apparently somewhat less favorable than last year, especially the late seedlings. Conditions in France have improved except in the flood

areas. Italy reports good conditions and central and eastern Europe benefited by a dry December and early January. Russia entered the winter with sowings reported in satisfactory condition.

Drought in north Africa which hindered cultivation and seeding especially in Algeria and Morocco, has been at least partially relieved by good rains about the first of the year.

Wheat acreage in India is estimated at 30,364,000 acres, 4 per cent over the corresponding estimate of last year although drought has been hampering operations. Consul Riggs at Karachi states that definite information on the seriousness of the drought is difficult to obtain. On unirrigated land which constitutes about half of the wheat acreage he had received reports that sowings are about 25 per cent below normal. In Punjab where about 35 per cent of India's sown acreage is located, this year's acreage is reported by the International Institute of Agriculture to be within 7/10 of one per cent of last year's high acreage. But in the Punjab a large part of the wheat area is irrigated. Drought has retarded the germination of the seedlings in the affected areas but damage to the sown plants is not yet regarded as serious.

India has also suffered from drought and unofficial reports are predicting some decrease in acreage.

Table 8.- Wheat: - Winter acreage, specified countries, 1929-1931

Country	Harvest year		
	1929	1930	1931
	1,000	1,000	1,000
	acres	acres	acres
United States	42,720	42,813	42,042
Canada 1/	885	1,042	894
Bulgaria	2,590	2,875	2,908
Germany	2/ 3,632	2/ 3,965	3/ 4,324
Hungary	3,735	3,993	3,984
Italy 4/	12,272	11,752	12,083
Rumania	3/ 7,173	3/ 5,954	3/ 5,308
Yugoslavia	5,075	5,245	5/ 5,250
India, first estimate.....	30,404	29,319	30,364

1/ Acreage sown up to October 31.

2/ Final data.

3/ Acreage sown up to December 1.

4/ First estimate of area sown.

5/ Unofficially reported to be about equal to last year.

Prices

Wheat prices, already at low levels in the free markets of the world, declined still further in December. Early in January there was a slight upward tendency, but this was followed by further declines which brought prices at the end of January to levels about as low or even lower than those prevailing a month earlier.

At Liverpool May futures declined from a close of 75 cents per bushel on December 1 to 62 cents per bushel on the last day of the month. During the first part of January there was a slight upward movement, the highest closing price of 64-3/8 cents being reached on January 13. This was followed by a decline which brought prices of the May futures down to 61 cents per bushel on January 31. The prices of March futures at Buenos Aires followed a similar course, reaching a low point of 46 cents per bushel at the close of January. At Winnipeg, the December decline was similar to that of the other principal foreign markets, May futures dropping from 62 cents per bushel on the 1st of December to 54 cents on December 31. The rise which took place in January was fairly well maintained at Winnipeg, the close of May futures on the 31st of the month being 58 cents per bushel.

In United States markets both cash prices and the May futures have been maintained at a fairly constant level. May futures at Chicago have been in the vicinity of 81 cents per bushel throughout both December and January, except for a temporary rise in prices which took place from about the 9th to the 14th of January. July futures, on the other hand, have fluctuated in a manner somewhat similar to both the May and July futures at other markets. However, their fluctuations have been enough different to suggest a material influence of the peculiar conditions in the United States. July futures in the United States markets continue to be well above their normal relationship to Winnipeg, and Liverpool, closing prices on the 31st of January at Chicago being 66 cents per bushel compared with 62 cents at Liverpool and 59 cents per bushel at Winnipeg. Cash prices in the principal United States markets have shown a slight tendency to decline. Thus, No. 2 Hard Winter at Kansas City averaged 71.3 cents per bushel for the week ended December 5; 70.0 cents for the week ended December 27; and 68.7 cents for week ended January 30.

Some factors affecting probable acreage in foreign surplus producing countries

The low prices being received for wheat this season are expected to have a tendency to cause curtailment of acreage next year in Canada, Argentina and Australia, the most important surplus producing countries but there are other factors tending to stimulate expansion. No very definite conclusion can be drawn as to the probable 1931 wheat acreage in these countries but the various factors taken together give little definite hope of any material net contraction in acreage the coming year.

In Canada various reports credit the Wheat Pool with recommending a 25 per cent reduction in acreage. Low wheat prices and low returns per acre from the 1930 crop will tend to discourage wheat seeding. Low returns for agricultural products generally may drive some people from farming into other lines of endeavor. On the other hand the low returns this year may stimulate the remaining farmers to increased crop planting in an effort to make their income as large as possible. The average value per acre of wheat in Saskatchewan based on December farm prices was higher than for oats, the most important competing crop, and higher than the average return for all grain crops competing with wheat. Flax is the only grain for which average acre values exceeded wheat. In the face of these low returns from competing crops there will be little incentive for Canadian farmers to turn from wheat to other grains.

In Argentina wheat acreage has been expanding some in recent years at the expense of alfalfa but has expanded somewhat more than the reduction in

alfalfa acreage. Latest indications of the value per acre of wheat have shown a smaller percentage reduction from last year than in the price per 100 pounds of chilled beef steers. Wheat values per acre in Argentina have also fallen less in the past season than those of corn and flax. There will thus be little incentive to turn from wheat to competing crops. There are rumors that Argentine land owners are reducing farm rents 15 to 50 per cent.

In Australia part of the big expansion in acreage last year has been attributed to the low prices of wool prior to the planting season and to the expectation by the farmers of a Government guarantee of a four shilling price per bushel. This guarantee did not materialize but the Australian wheat marketing Act was passed to guarantee a price of three shillings which at the par of exchange is 73 cents a bushel, basis fair average quality f.o.b. This guarantee has met with difficulty and if maintained at all, the three shilling guarantee apparently will be paid in a greatly depreciated currency (Exchange rates have recently been falling rapidly and at the close of January three shillings in Australia was about the equivalent of 56 cents in United States currency). The failure of this guarantee may not be enough, however, to cut down wheat acreage, materially. There has been a pronounced upward trend in Australian wheat acreage in recent years irrespective of prices. There has also been a tendency of Australian sheep growers to turn to wheat when returns from sheep have been small. Wheat prices have fallen more drastically than wool prices in recent months but due to fairly good yields the value per acre for wheat has not fallen more than the price per pound for wool.

The Oriental wheat and flour market

Prospects for foreign wheat and flour marketing in the Orient were moderately favorable during December and the first of January, except for the effect of declining silver prices which tend to hamper purchases of all foreign goods. The demand for United States wheat is hurt by low prices for Canadian and Australian wheats. The Tientsin flour market was better in December than had been anticipated. Shanghai mills were operating largely on foreign flour early in January. Tokio mills were also active.

Tientsin

Sales prospects for American flour were favorable in Tientsin early in January, according to cabled advices from Consul General Gauss at that port although stocks were heavy. The local flour market gained more strength during December than was anticipated. Supplies of domestic wheat were reduced as freezing of canals stopped movements from the interior, which indicates a probable reduction in local mill activities after the end of January. The supply of local wheat is expected to be reduced until navigation reopens in the spring. It is reported that the foregoing conditions have resulted in Tientsin flour importers' placing orders in the United States for about 400,000 barrels for February delivery. It appears to the Consul General reasonable to assume, however, that if flour prices stiffen in the United States and the value of silver continues to decline the local market for American flour will be adversely affected, resulting in slow sales during the period of readjustment. Stocks of wheat at Tientsin January 1 were estimated at 474,000 barrels compared with 400,000 barrels December 1 and 285,000 to 290,000 November 1.

Arrivals of flour in Tientsin during December reached 271,000 barrels, as compared with about 305,000 in November. The reduction was not as great as had been anticipated in view of the ample supplies on hand at the end of November and the change to winter lightering rates. December arrivals included 81,500 barrels from the United States, 30,500 from Canada, 59,000 from Japan and 100,000 barrels from Shanghai mills. November arrivals included 157,700 barrels from the United States, 1,000 from Canada, 121,250 from Japan, 84,250 from Shanghai and 1,000 from Manchuria. The production of flour at Tientsin mills during December was 185,000 barrels compared with 198,750 barrels during November. The average wholesale price of wheat flour per barrel ex-warehouse at Tientsin on December 31 followed with prices on November 30 given in parenthesis: American \$3.30 (\$3.56), Canadian \$3.02 (\$3.29), Japanese \$3.03 (\$3.45), Shan hai milled \$3.40 (\$3.50), and Tientsin milled \$3.60 (\$3.94)

Shanghai

Flour mills at Shanghai were operating largely on foreign wheat early in January, according to cabled advices from Agricultural Commissioner Nyhus at Shanghai. Reduced prices for flour lowered the value of the output, but the volume of business was good. The mills appeared to be well supplied with Australian wheat, but there was some need of Canadian or American wheat for blending. The value of silver continued weak, making wheat purchases very speculative, as a result of exchange fluctuations. During December 50,000 tons of Canadian wheat were contracted for at gold \$.60 to \$.65 a bushel c.i.f. American quotations were higher. No purchases of American or Australian wheat were reported during December. There is some possibility of additional purchases of 100,000 tons of Canadian or American wheat, but exchange conditions do not favor the transaction. It is essential that the value of silver improve if China is to buy foreign wheat and flour at substantially higher gold prices.

Tokio

Mills were active early in January in spite of larger flour stocks on hand than normal on January 6 according to Consul Gray. Prospects for United States wheat were uncertain due to the low prices quoted for Canadian and Australian wheat. Prices at mill January 6, 1931 were \$1.10 per bushel for Western White, No.2, duty and landing charges included; \$1.98 for Canadian, No.5; \$1.01 for Australian, and \$1.02 for domestic standard grade. Portland wheat c.i.f. Yokohama was selling for \$.72 per bushel.

Wheat imports during November totaled 1,502,000 bushels of which 227,000 bushels were from the United States, 695,000 bushels from Canada and 580,000 from Australia.

Export demand for flour was poor the beginning of January due to cheap silver but the domestic market was normal. Flour exports in November reached 2,540 barrels.

The Continental European market outlook for wheat in 1930-31 1/

Falling world wheat prices, high tariffs, and milling and other Government measures are materially reducing Europe's need for foreign grain this year. Buying of foreign wheat in the first half of 1931 will probably be more active than in the last half of 1930 and on a much larger scale than in the first half of last year,

The outlook for the second half of 1931 is tinged with some uncertainty, but, barring the development of exceptionally unfavorable world crop prospects, with Europe one of the areas concerned, it appears probable that continental imports in the first half of the 1931-32 season will again be low. With chances in favor of a larger 1931 crop in Canada, and with Russia pointing toward a large increase in the spring wheat acreage, there seems little ground for hope of a rise in world prices sufficient to cause European countries to relax materially on the import restrictions which now exist, certainly not before their own 1931 crops are well out of the way. In fact, the permanent retention of certain measures favoring utilization of domestic grain, such as milling regulations, is not unlikely in some countries. The 1931 continental wheat crop itself, unless exceptionally poor, does not seem likely to be a major factor in determining imports during the first half of the 1931-32 season, even though some increase in winter wheat seedings is indicated in certain countries. The unusually small continental net imports of 242.5 million bushels of wheat and flour in the 1929-30 season were caused by a number of factors which will also continue to have a restrictive effect on takings in 1930-31. The chief of these has been the declining tendency and low absolute level of world prices. Second in importance has been the group of Government measures to protect home producers against these low prices, including tariff increases, milling and mixing quota systems, bread laws and other measures to encourage greater use of domestic at the expense of foreign products. Third in importance has been the general world supply situation - excessively heavy visible stocks coupled with many indications that the high level of world wheat production is being maintained and even increased with Russia coming again into the picture. A fourth factor is the indicated decrease in human consumption of wheat in favor of other products such as rye, corn and vegetables. The first of these factors - low and declining prices - has tended to reduce all wheat buying to absolute minimum requirements, the various Government measures have had the same effect and at the same time reduced actual requirements, the supply situation has undermined all confidence in wheat values and contributed largely to the continued decline in prices, and decreased human consumption, of course, has further curtailed import needs. These four factors, and others such as economic depression and the general downward tendency of all prices, will continue to affect continental European wheat imports in 1931.

On the other hand, continental wheat requirements in 1930-31 will not be sharply decreased as they were in 1929-30 by the unusually large 1929 crop and the heavy reduction in the carry-over at the end of the season. The 1930 wheat crop in Europe was about an average one, and any further heavy reduction in the carry-over at the end of the current crop year does not seem possible, though crops will undoubtedly be closely cleaned by because of the rapid manner in which they are being forced into consumption by Government measures. Reports were unanimous last year in characterizing stocks carried over as exceptionally low except in France and they are certain to be even more so this year.

1/ Prepared by Agricultural Attache' Loyd V. Steere, Berlin, Germany.

January 6, 1931, supplemented by cable of January 23, 1931.

An important factor in the 1930-31 wheat import outlook for Europe is the return of Russia to the role of a major shipper. Russian wheat exports since July 1, from the Black Sea, had reached 73.5 million bushels on December 31 with more still to come. These figures show Russian shipments large enough to care for nearly the entire probable increase in imports by continental Europe over last year's small takings, and, in fact nearly 25 per cent of the probable total imports of the Continent this season. In other words, overseas wheat exporting countries will find it possible to sell but little, if any, more wheat than last year in Europe in the season 1930-31- notwithstanding its larger import requirements - because of the return of Russia. No accurate forecast of Russian developments in 1931 can yet be made, but it should be stated that Russia plans a large increase in the spring wheat acreage, and that some exports of 1930 wheat in the spring are likely.

Briefly summarized, the principal factors influencing continental European wheat imports and the general buying attitude of the continental trade during 1931 are as follows:

Favorable to hand-to-mouth buying and reduced imports

1. Low world prices and much bearish sentiment on future tendency.
2. Large visible in North America and large crops in Southern Hemisphere.
3. Probability larger Canadian crop in 1931, and plans for large increase of area in Russia.
4. Uncertainty on Russian shipments.
5. High tariffs and Government measures in Europe which are reducing consumptive requirements and making normal business operations impossible for grain trade and millers.
6. Government protective measures tending to encourage wheat production, with probable increase in 1931.
7. Apparent tendency toward reduced consumption wheat in favor of other grains and feeds.
8. Business depression.

Favorable to more active buying and increased imports

1. Rapid utilization of domestic crops to date.
2. Poor quality of crops in parts of Europe, particularly France and Italy.
3. Much reduced supplies of foreign grain with millers and in trade channels (except ports).
4. Probability of smallest carry-over in years.
5. Extremely low current level of world wheat prices.

Brief market review, first half of 1930-31 season.

European wheat prices this season at first showed some strengthening tendency early in August when an upward movement developed because of belief that unfavorable harvesting weather had caused considerable damage to the crop in central and northern Europe. Prices again turned downward in the second half of August when it became evident that the damage was overestimated and that northern European countries would have excellent crops. Indications of increased use of rye and other foods at the expense of wheat were also a factor in this downward tendency, which has continued until the end of 1930 with continental markets generally unsteady, buyers reluctant and following a consistent hand-to-mouth buying policy. September was characterized by heavy selling pressure from Canada during the first half and by Russia during the second half of the month. European marketings of the domestic crop were relatively limited during this period—partly as a result of farmers waiting for Government relief measures—but did not afford much support to the declining market. October business in both foreign and domestic wheat was much reduced, but with occasional periods of active buying of Russian wheat by Italy, Holland and Belgium. General market dullness continued through November and most of December, with the high tariffs and milling and other regulations preventing the development of greater interest in foreign wheat. The downward tendency of world prices after August was not shared, however, by prices in Germany, Czechoslovakia and France, where the increased duties and various regulations, and in France the small crop, tended to maintain or increase the level of prices.

Trade reports indicate that stocks of wheat in the hands of inland grain merchants and flour mills, particularly in France, Italy, Germany and other parts of central Europe are generally reduced and that steady buying from these quarters will be experienced in the coming months. Stocks of wheat at certain points in Europe are as follows:

Table 9.—Wheat: Continental European stocks, middle of November and December, 1929 and 1930, and January 1931.

Date	Antwerp (visible)	Rotterdam	Berlin (wheat and flour)	Hamburg (rough estimate)	Hungary (public warehouse)
	: bushels	: bushels	: bushels	: bushels	: bushels
1929	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
Nov. 15:	3,710	1,540	1/ 1,320	-	4,810
Dec. 15:	2,650	1,470	2/ 1,360	880	2/ 4,240
1930	:	:	:	:	:
Nov. 15:	3,340	6,060	1/ 1,510	550	4,960
Dec. 15:	2,200	7,350	-	440	2/ 4,200
1931	:	:	:	:	:
Jan. 15:	1,300	8,120	:	:	:

1/ November 30.

2/ December 31.

Table 10.- Wheat: Domestic prices per bushel at specified European markets certain dates, September - December 1930.

Date	Paris	Milan	Berlin	Prague	Vienna	Budapest
	Cents	Cents	Cents	Cents	Cents	Cents
Sept. 3	167.9	180.4	165.3		98.6	73.1
25	175.9	180.4	153.6		90.9	72.6
Oct. 9	172.7	176.1	148.5	105.5	90.9	74.5
23	174.9	174.0	145.9	105.5	91.9	72.4
Nov. 6	175.9	166.9	156.2	107.5	88.1	67.8
20	173.8	154.7	161.1	114.0	88.1	67.1
Dec. 4	175.9		164.3		88.1	68.1
11	175.9	151.9	157.2	109.9	87.1	67.1
18	175.9	150.5	160.1	113.2	86.2	66.4
31	175.9	148.3	162.1	113.2	87.1	64.3

Germany

German imports of foreign wheat are expected to show a moderate increase in the second half of the current season, with the possibility of a sharp upturn in the closing months. As imports from July 1 to November 30, 1930, have amounted to only 16 million bushels as compared with 29 million bushels during the same period in 1929 and 33 million in 1928, total imports for the season will be unusually small, probably not more than about two-thirds of last year's takings.

The heavy reduction in German requirements is due primarily to the Government's numerous measures to bring about the substitution of rye for wheat, and in the second place to this year's large German wheat crop, estimated at 139 million bushels the latest official estimate, against 123 million last year and a 5-year average crop of 120 million bushels. The various Government measures, including the prevailing high tariff of 162 cents per bushel, the compulsory milling of 80 per cent domestic wheat, and a bread law aiming toward increased use of rye in place of wheat, together are expected to displace 16 million to 22 million bushels of wheat, while the German wheat crop this year is about 16 million bushels higher than last year and about 19 million above average. Of the 18-22 million bushels increase in the human consumption of rye, about 11-15 million would result from the first bread law and 7 million from the December amendment to the law, whose effectiveness has been partially removed by the permission granted the German States to set aside the provisions prohibiting use of wheat bread in hotels and restaurants, which has been largely taken advantage of.

Any significant increase in German wheat import requirements is dependent upon the Governments' revision of the compulsory milling law, which now permits the use of only 20 per cent of foreign wheat by mills which customarily mill such grain. The regulation will expire at the end of January unless prolonged, but present indications point to its extension or only a moderate change, inasmuch as wheat prices in Germany are as yet showing no general tendency to rise. A high milling quota will probably be maintained until there is a clearer indication of scarcity than present prices reveal. Reports of stocks on farms indicate unusually rapid movement of the crop into consumptive channels, but the amount still remaining on farms also seems sufficient to permit the retention of the current milling quota for some time yet, though its retention would make a sharper reduction of the quota necessary at the close of the season. The milling quota while in effect, therefore, may be described as the funnel which measures the flow of foreign wheat into Germany. It should be pointed out that current wheat prices in Germany are practically identical with the import duty, in other words, that the domestic market is now entirely independent of world market developments.

Table 11.- Wheat and rye: Domestic price per bushel in Germany,
November - December 1930

Date		Wheat			Rye	
		Hamburg 1/	Breslau 2/	Berlin 3/	Berlin 4/	
		Cents	Cents	Cents	Cents	
Nov.	5	157.5	153.6	154.6	90.2	
	12	167.3	159.5	161.7	93.8	
	19	-	-	-	-	
	26	171.8	161.4	162.1	89.5	
Dec.	3	169.8	161.4	163.0	96.2	
	10	164.7	159.5	157.2	95.0	
	23	164.7	158.2	160.1	93.8	
	31	167.9	160.8	162.1	95.0	

- 1/ Wheat of any German district of at least 58.7 pounds per Winchester bushel.
- 2/ Wheat of any German district of at least 58.7 pounds per Winchester bushel in carloads of 370 bushels.
- 3/ "Markischer" wheat of 58.3 to 59.0 pounds per Winchester bushel.
- 4/ "Markischer" rye of 54.4 to 55.2 pounds per Winchester bushel.

While the expected decrease in wheat consumption in Germany this year is often associated closely with depressed business conditions, it does not appear that reduced purchasing power in Germany is a factor of any real importance in bringing about such a tendency. Bread is one of the most important and cheapest foods of the working classes, who, under conditions of severe unemployment, must depend more heavily upon this type of food than upon others which come within reach when employment conditions are better. The displacement of wheat by rye does not necessarily bring with it a reduction in the cost of bread, although rye bread prices average probably a trifle lower than prices of wheat bread. The amount of wheat used on farms is often mentioned as a factor of some importance in the total

disappearance of the crop, but there seems no reason for assuming that more than the usual amount will be so used in Germany or in other Europe this year, as the price of wheat, because of the high tariffs, is probably above normal relationships with feed grains in more cases than the contrary is true.

Trade reports indicate that the amount of both foreign and domestic wheat in trade channels in Germany is now relatively low, particularly so in the case of foreign grain. Importers state that it is impossible for them to carry on normal business operations while current Government measures and general administrative policies on grain continue in effect. Changes in quotas and tariff rates are made and put into effect without any warning whatever, so that it is out of the question for processors or dealers to maintain stocks of a product which is rigidly controlled and whose value can be radically changed over night. When the milling quota is finally reduced, or removed, there will probably be an immediate and pronounced stimulus to German import demand, because of the stock situation within the country.

The rye market situation in Germany, which has weighed constantly on wheat for well over a year, now appears to be assuming a more favorable aspect. The 1930 crop of 302 million bushels, while a good one, represents a reduction of about 20 million bushels compared with that of 1929, but most important is the fact that the Government, in its eosine rye measure, appears to have found a rather effective method for the gradual removal of the rye surplus. Recent reports indicate that sales of eosine rye by the Deutsche Getreide-Handels-Gesellschaft for feeding purposes are amounting on the average to 3 million bushels monthly. As yet, however, rye prices are moving along parallel with but about 60 to 70 cents a bushel below wheat. Very little rye has found its way into export this year as the German market is above export parity and the import certificate system is inoperative.

France

France will have much larger import requirements of foreign wheat in 1930-31 than was the case last season. The 1930 crop as officially reported was about 89 million bushels less than last year or about 231 million as compared with 320 million in 1929, actually the reduction may have been greater. The 1930 crop was also of generally poor quality. The decrease in home supplies, however, was partially offset by a rather large carry-over from the record crop in 1929, and the increased tariff, coupled with milling and other measures to force full utilization of the domestic crop will somewhat further reduce the need for imports. The probable takings appear likely to range between 55 million and 65 million bushels of which only 8 million bushels net imports had taken place in the period July-October as compared with 12.5 million bushels imports for all of last season.

As in the case of Germany, current imports of foreign wheat are determined entirely by the Government milling regulations, which prohibit the milling of more than 10 per cent of foreign wheat. At the same time, the high tariff and restrictions on the amount of grain which may actually be brought into the country or stored also prevent the development of any buying for future requirements. The French Government, only a short time ago, reiterated its intention and confidence of being able to maintain the current milling quota, so that some time may elapse before an increased flow

of wheat to France will develop. The Government has not yet admitted the necessity of imports greater than 10 per cent of the country's total consumption, which would mean about 33 million bushels but the general discussion of and complaint about the poor quality of domestic grain in French milling circles seems to indicate that the Government will find it necessary to relax its restrictions to permit greater imports of foreign grain and/or use of chemicals to improve the quality and appearance of the flour, which the trade is clamoring for.

Trade opinion continues to disagree with the Government estimate of some time ago that the 1930 crop, plus the carry-over from last year and imports from north Africa, will be sufficient to cover consumptive requirements with a 10 per cent importation of foreign wheat. A recent trade analysis of the situation places the 1930 carry-over at 44 million bushels of which 33 million was regarded as an absolute minimum carry-over. The 11 million bushels which it is estimated could be deducted from the carry-over, plus 13 million bushels from north Africa and an additional 5.5 million bushels obtained from border trade in bread and certain colonial traffic in wheat and wheat products, plus the officially estimated crop of 231 million bushels would leave import requirements of about 59 million bushels. As this estimate makes very little allowance for the poor quality of this year's crop, it appears that possible imports may even exceed the indicated estimate unless wheat consumption in France is reduced materially below the estimated average consumption of 320 million bushels.

The French wheat market has been relatively quiet so far this season, according to trade reports, with farm marketings rather restricted and prices comparatively stable but rising slightly. Millers are reported interested only in the heavier wheats; at the same time farmers are tending to sell chiefly light weight grain. It is expected that a firmer tendency will develop in the comparatively near future.

Italy

Italy, with a much reduced 1930 wheat crop, considerable poor quality grain, and an unusually small carry-over at the end of the last season, will be a heavy importer in 1930-31, in fact, by far the largest on the Continent. As apparent utilization in Italy has averaged about 305 million bushels in the past five years and this year's crop is officially estimated at 211 million bushels, it would appear that imports of 80 million to 90 million bushels are fully possible, allowing for some influence from the large corn crop. Last season Italy imported 43 million bushels following a crop of 260 million bushels, which was much above the average crop of 229 million in the five years ending with 1929.

For several years Italy has been waging an intensive campaign to increase the wheat acreage and output, but this year, with general business depression prevailing, the Government has been interested in reducing the cost of living, and has seemed to welcome imports, particularly of Russian wheat, since under a trade agreement with Russia, Italy has obtained a market outlet for industrial products in Russia in exchange for wheat. Total imports from July 1 to November 30, 1930, have reached 31 million bushels as compared with 12 million last year, and a large share has been of Russian origin. Purchases have been very active at times during the autumn, and a considerable accumulation of stocks at the ports was reported in November, but this has been rapidly reduced. Unsold Russian stocks at ports at the end of December were down to 4 million bushels with an early revival of buying being

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Wheat prices in Italy, with a large volume of foreign wheat entering the country, have followed the steadily downward tendency of world quotations, but with a wide spread between them. Native wheat at Milan at the close of December has been selling at 147 cents per bushel, under the import tariff of 58 cents. Bread prices are reported to have declined 20 per cent and wheat flour 10 per cent in the last two months of 1930. Under these circumstances, the trade is tending toward hand-to-mouth buying, the large volume of which to date is indicative of heavy import requirements.

Holland and Belgium

Grain import business through the ports of Rotterdam and Antwerp has been unusually small during the first half of the current crop year, because of the exceedingly low volume of grain moving into Germany. Domestic mills have also kept purchases strictly to current needs under existing market conditions. The reduced volume of business has resulted in large accumulation of stocks at both ports in recent months, but particularly at Rotterdam, where some 8.5 million bushels were reported on January 3 as against 1.1 million last year. Heavy Russian shipments, and diversions of shipments from Antwerp following the Belgian restriction on imports from Russia have been the principal factor. Antwerp stocks have now been reduced to reasonable levels, but Rotterdam is still rising with prospects of being congested for some time yet unless German restrictions are relaxed soon.

Both Antwerp and Rotterdam reported very quiet business in December, with Rotterdam wheat prices particularly depressed. Both countries, however, will have fully normal import requirements this year, and actual takings to date are in line with expectations. It is only the transit business that has suffered. In Holland, legislation to introduce compulsory milling of domestic wheat has passed the second chamber of the legislative, but has yet to secure approval of the first chamber, which is uncertain. The milling quota has not yet been fixed, but is reported as contemplating between 10 and 25 per cent domestic wheat. Such legislation would have comparatively little effect on Dutch demand for foreign grain, as domestic production covers only about 15 to 20 per cent of total requirements and possibilities of expansion are limited.

Czechoslovakia and Austria

The close of 1930 has found business in foreign grain much restricted in both Austria and Czechoslovakia, but there have been no developments to indicate that import requirements in either country will differ materially from last year. Czechoslovakia appears to have requirements of about 13-15 million bushels in comparison with 14 million last year, Austria 15-18 million against 18 million.

Current dullness is partly a matter of world market tendencies, but is also influenced by Czechoslovakian-Hungarian developments. The new milling quot. system in Czechoslovakia and the higher tariff (44 cents per bushel against 24 cents per bushel formerly prevailing) now effective as a result of termination of the trade treaty with Hungary (whose wheat must now pay 68 cents per bushel in Czechoslovakia) have stifled interest in foreign grain, requirements of which were covered for some time ahead prior to the tariff advance. With the Czechoslovakian market, at least temporarily, closed, Austria is now receiving the brunt of Hungarian pressure to sell.

Reports from northern Bohemia indicate that unfavorable weather at seeding time reduced the acreage of fall sown wheat and rye, and has somewhat affected conditions also. This, however, does not seem to apply to any extended area. Austrian seed conditions are reported generally good, particularly for rye. Work was hampered by humidity in some sections of the country.

Poland

Latest official reports place the Polish 1930 wheat crop at about 20 per cent above last years good crop, the result being due both to large acreage and higher yields. The large crop and low prices of wheat will probably mean increased disappearance in Poland, but the supply this year is beyond home requirements, so that some export, possibly 4 million bushels must be looked for. In fact, some 1.5 million bushels have already been shipped out.

Soviet Russia

From present indications, it appears that Russia will make strenuous efforts to strengthen her position on the world grain market during the coming year, but no trustworthy estimate of possible Russian grain exports in 1931-32 can now be made. The Russian outlook is too crowded with uncertainties to permit that, but there are five main phases of agricultural expansion and development which will play significant roles in the Russian picture in 1931:

- 1.- Planned expansion of the acreage under grain, particularly wheat, through improved crop rotation and the breaking of virgin soil in the south-eastern and eastern sections of the Union.
- 2.- Efforts to increase further the share of the "socialistic sector" of Russian agriculture.
- 3.- Growing mechanization and industrialization of agriculture,
- 4.- Efforts toward systematic reconstruction of the livestock industry, both by expansion of feedstuff and by increasing stocks.
- 5.- Planned large increase of acreage under technical crops.

Plans for 1931

The total planned acreage for 1931 is 358 million acres, 43.2 million acres or 13.7 per cent above the acreage of 1930. Of the total increase, 18.5 million fall to the share of cereals, 14.8 million to feedstuffs and 9.9 million to technical crops. Realization of the total plan for 1930-31 is rendered difficult by the failure to secure the 9.6 per cent increase planned in autumn seedings, which amounted to 97,728,000 acres or only about 1 per cent above 1929.

The situation appears to be more favorable in the case of wheat, as a 19 per cent increase, or 4.7 million acres, is reported to have taken place this fall. The recently announced plans for the 1931 spring sowing campaign call for a further expansion of the acreage under wheat, particularly in the eastern part of the Union, where a "wheat industry" based on large-scale, fully mechanized farming methods is to be built up. With reasonable success in carrying out the spring sowing plans and near normal weather during the growing season, a 1931 wheat crop as large as that of 1930 might again be harvested, a crop which has already provided an export surplus of 73 million bushels with more yet to come. It should be noted, however, that Russia has now had four relatively favorable seasons in a row, and has a history of occasional bad crop failures.

While the crop results are the basic determinants of Russian grain exports, there are other important factors, of which the need for foreign currency to cover the large and growing requirements of industrial imports is an outstanding one. Industrial import requirements larger than foreseen by present plans, a failure in the production of some of Russia's other export products, a noticeable fall in prices for Russian export products abroad, - are all developments capable of exercising a considerable influence on the Government's future grain policy. The exports of nearly 1 million tons of various grains prior to July 1, last year, before crop returns were assured is an example of the bearing of outside considerations on the Soviet grain policy.

No increase in the Russian rye crop seems likely in 1931, as it appears that autumn seedings of rye have declined somewhat as compared with the previous year, due to a considerable non-execution of the plans in the central and northern regions of the Union. As almost all Russian rye is winter sown, spring seedings cannot offset the reduction which occurred in the fall, although favorable growing conditions may offset the somewhat smaller acreage.

With respect to the total acreage under grain, it should be stated that the non-execution of the autumn seeding plan for the Union as a whole seriously endangers the Government cereal plan for 1930-31, as a rather considerable share of the total increase was originally planned for autumn grain, so that strenuous efforts will have to be made to bring the total 1930-31 acreage up to expectations. A long, favorable spring - like that experienced in 1930 - would greatly facilitate matters, but its recurrence cannot be relied upon. The Government, furthermore, will be sufficiently handicapped by inadequate equipment, shortage of draft power, lack of tractor and other parts, general disorganization of plans and inefficient management, to make the full realization of the spring plan doubtful even with normally favorable weather conditions.

Russian exports of grain from Black Sea ports from July 1 to December 31, 1930 have been as follows: 1/

Wheat	73,009,000	bushels.
Barley	34,355,000	"
Rye	7,559,000	"
Oats	3,720,000	"
Corn	827,000	"

1/ Reports from different sources vary somewhat.

Shipments of all grains, including wheat, are now steadily declining, yet reports indicate the resumption of chartering for the spring months. The amount of space chartered and grain offered for spring movement, however, is not yet reported to be very large.

The Danube Basin market prospects in 1930-31 1/

Balkan farmers have been reluctant to part with their wheat at the prices prevailing on world markets and as the season advanced tended to limit their sales to the amounts necessary to meet taxes and other necessary expenses. The Governments of these exporting countries have taken steps to help the farmers. Some of the measures such as reduction of railroad rates abolishment of export taxes and Government purchases, will tend to throw more wheat on the export market. Other measures including reduction of taxes on farm property, premiums on area seeded and the like, will tend to encourage the maintenance of present acreages or increases. Wheat exports from the four surplus producing countries of the Danube Basin in 1930-31 will probably be no larger and may be considerably smaller.

Exportable surplus

Wheat exports from the Danube Basin have been only moderate in the first half of the 1930-31 marketing season in spite of a 1930 crop placed according to Government reports at more than 50 million bushels above that of 1929. Production as officially reported, totals 354 million bushels as compared with 303 million in 1929 and 367 in 1928. Reports from private sources tend to indicate that the Government estimates may be high, especially for Yugoslavia. Evidence available indicates that there were no exportable stocks on hand at the beginning of the 1930-31 season in any of the Danube Basin surplus producing countries except Hungary, where according to private estimates the equivalent of a million bushels of wheat may have been held as flour. A year earlier stocks were probably abundant. The exportable surplus from the 1929 crop was probably about 70 million bushels compared with actual exports of 58 million bushels in 1929-30. Total exports from the four countries for three to five months beginning July 1, 1930 were only about 20 million bushels this season as compared with 30 million in the corresponding periods of 1929-30. Less definite indications of exports between then and January 1 show a continuation of the lack of interest.

Stocks on hand available for export in the Danube Basin on January 1 are believed to be above those a year ago. But it is probable that domestic disappearance, especially in Bulgaria and Rumania, will exceed the usual quantities of wheat consumed. It is reported that Yugoslavia exported more than a justifiable quantity of wheat and that the country may be on an import basis before the 1931 crop comes on the market in July. Actions of the Governments of the different countries may stimulate exports the balance of the season, and demand of the importing countries will probably improve. So exports will probably increase during the spring months but it now seems probable that total exports for the full season will not reach the 58 million bushels reported for 1929-30.

1/ Prepared by Agricultural Attache' Louis G. Michael, Belgrade, Yugoslavia, January 2, 1931.

Agricultural relief

The agricultural industry in the Danube Basin is hard hit by the world wide business and agricultural depression, and the Governments of the different countries are employing various means to assist agriculture. Some of the remedies common to most of the countries are: reduction of railroad rates for agricultural products, especially cereals; reduction or abolishment of export taxes; reduction of interest charges for agricultural loans; reduction of taxes on farm property; and encouragement of cooperative marketing.

In addition to the general measures each of the four countries has taken special steps in regard to the marketing of cereals. In Bulgaria the Government has established a Bureau for handling grain. This Bureau has paid prices above the world market basis for the peasants' surplus, but payment is made in coins that can be used for paying of taxes. In Hungary the Government has provided that the purchaser pay the producer 14.29 cents per bushel on wheat and rye above world prices in the form of scrip that can be used for paying taxes. They are also planning to pay a premium on area of wheat and rye seeded. The Rumanian Agricultural Marketing Act proposes to put the milling industry and export of wheat under Government supervision. Taxes will be laid on flour milled and a portion of the money derived from such taxes will be expended to benefit agriculture. Premium prices will be paid for wheat for export. In Yugoslavia a Privileged Export Society has been organized under the supervision of the Government. This Society has bought wheat and corn of the 1930 crop from the peasants at prices above the world market basis, and the Government has taken the loss.

Besides the steps taken by the separate countries an attempt is being made by Bulgaria, Hungary, Poland, Rumania, and Yugoslavia to form an international marketing agency to handle the exportable grain surpluses of these countries in one common pool.

BulgariaAcres and production:

Wheat occupies the foremost place among the cereals grown in Bulgaria. The 1930 production is one of the largest crops the country has ever had. It has been estimated at 60,994,000 bushels and compared 33,192,000 bushels in 1929 and 40,473,000 bushels the 5-year average 1925-1929. The wheat crop of 1929 was insufficient to meet domestic demand and Bulgaria would have been required to import large quantity of wheat if it had not been for the large carry-over from the 1928 crop. The country was placed on an import basis during the first half of 1930 and entered the crop year 1930-1931 with stocks at a minimum. The good crop of 1930 gave promise of an exportable surplus greater than had been available in any post-war year. However, Greece was probably the only important outlet for this surplus because of the competition with wheat from overseas on the western European markets. Several thousand tons were sold for July-August delivery; but following the American debacle Greek buyers withdrew from the market.

Market prices:

During the first half of 1930 prices were relatively high because Bulgaria was on an import basis until the latter part of June when exports slightly exceeded imports. Small transactions in native wheat were effected at both the Black Sea ports of Burgas and Varna with no sharp drop in prices until April. Then the markets showed an upward tendency until the new crop appeared in July.

Table 12.- Wheat: Price per bushel in Burgas, Bulgaria, 1930 1/

Month	:	Price range
Jan.	:	113.7 - 127.4
Feb.	:	121.5 - 149.0
Mar.	:	129.4 - 131.3
Apr.	:	101.9 - 119.6
May	:	113.7 - 123.5
June	:	105.8 - 127.4
July	:	92.1 - 87.2
Aug.	:	84.7 - 86.8
Sept.	: <u>2/</u>	67.6
Oct.	:	58.0 - 63.7
Nov.	:	48.6 - 53.5
Dec.	:	53.9 - 60.6

January to July prices "Bulletins de la Chambre de Commerce Francaise en Bulgarie", August "Bulletin Mensuel de la Banque Nationale de Bulgarie", September "Izvestia na Blgarskata Zemledelska Banka" No 14, Sept. 15, 1930, October to December from office record of daily market quotations Burgas market, published in "La Bulgarie"

1/ Converted from Leva per quintal to cents per bushel at current exchange rate.

2/ Monthly average all wheat.

Beginning with July, prices declined rapidly until in November when they reached a point on the Burgas market less than half of the January quotations. The price crisis in Bulgaria affected about 80 per cent of the population. Therefore the Government Council decided to institute a Central Bureau to facilitate the export of cereals. According to their plan cereals are to be bought from farmers at higher prices than the usual prices based on world parity. Under ordinary procedure this would result in a deficit. Therefore all purchasers of grain are to be paid with special treasury notes or special aluminum coins which can only be used for the payment of land taxes. Thus every farmer will be able to sell his wheat and corn to the State and then pay the State a certain sum which should not be more than one year's tax. If the farmer has already paid a part of his taxes he may then sell his grain to some other farmer who must use proceeds of sale to pay his own land tax.

The original plan provided a period of six to nine months for these transactions, after which the printed treasury notes or metal coins would become invalid and grain could probably be sold under ordinary market conditions. According to the semi-official newspaper "La Bulgarie" the Government hopes that the Bulgarian farmers will be attracted by the price which will be 58.6 to 78.4 cents per bushel of grain, ¹/_{and} will sell to the State cereals valued at about \$5,040,000. It is proposed that the poorer grades of wheat thus purchased be used for the army or be distributed for internal consumption by the City Councils. The better grades would be exported by the State. It is believed that the large quantities thus purchased will be enough to raise the prices of wheat and corn in Bulgaria without giving the speculators the opportunity to raise the price of bread. (La Bulgarie, November 19, 1930).

According to "La Bulgarie" of December 27, 1930 the Council of Ministers fixed the price at 78.4 cents per bushel for wheat exported through Varna and Burgas. Such wheat should weigh 59 pounds per winchester bushel and contain not more than three per cent of foreign matter. A reduction of 20 per cent was provided for the lower grade wheat shipped via Danube ports.

Exports:

Net exports from January 1 to September 30, 1930, totaled 1,047,000 bushels as compared with a net import of about 600,000 bushels during the first three quarters of 1929. It is probable that all of the wheat exported in 1930 was from the new crop. By September only 1,272,000 bushels of the new crop had been sent abroad as grain and flour compared with practically none from July 1 to September 30, 1929.

Surpluses December 31, 1930:

The total estimated exportable surplus from the crop of 1930 was approximately 20 million bushels so that by the end of October nearly 19 million bushels of unexported wheat remained within the country. During November only small lots of wheat were handled at the ports of Varna and Burgas. Private estimates place shipments at less than 1 million bushels. This would leave an unexported statistical surplus of about 18 million bushels of wheat in Bulgaria at the end of November. There are no available data regarding December exports, but very little business was transacted during that month because the peasants held their grain hoping for better prices. It is probable that the statistical supply on December 31, 1930 was fully 17½ million bushels of wheat. This does not mean that this quantity of wheat was available for export. It is probable that the low prices offered for Bulgarian wheat have resulted in larger than usual domestic consumption both as human food and as feed for live stock.

Hungary

Production:

Wheat production in 1930 was estimated at 73,334,000 bushels as compared with 74,985,000 bushels in 1929 and an average of 79,542,000 bushels during the 5-year period 1925-1929. The decreased production in 1930 was due to decreased yield per acre.

¹/ In November 1930 prices on the Burgas market ranged from 48.6 to 53.5 cents per bushel.

Markets and prices:

The unfavorable price development which has been taking place on the produce markets of the world adversely affected the Budapest wheat market. For example the 61 pounds per bushel grade of Tissa wheat gained 8.6 cents per bushel between May 1, and June 1, but after that date its price started on a downward course. In July the price was about 95.2 cents and on December 21, about 67.6 cents as seen from the following Table.

Table 13.- Tissa Wheat: Average price per bushel for prompt delivery on the Budapest Grain Exchange. 1/

Date	:	Price	:	Date	:	Price
<u>1930</u>	:	<u>Cents</u>	:	<u>1930</u>	:	<u>Cents</u>
Jan. 2	:	115.2	:	July 1	:	94.7
Feb. 1	:	119.7	:	Aug. 1	:	95.2
Mar. 1	:	115.4	:	Sept. 1	:	76.2
Apr. 1	:	112.1	:	Oct. 1	:	71.4
May 1	:	107.8	:	Nov. 1	:	69.0
June 1	:	116.4	:	Dec. 2	:	68.1
	:		:	Dec. 21	:	67.6

January 2, to September 1, from Economic Bulletin of the Central Corporation of Banking Companies, Budapest, 6:94 October 1, to December 21 - Daily Market quotations, Neue Freie Presse, Vienna.

1/ Converted from Pengos per quintal to cents per bushel at current rate of exchange.

The crumbling of grain prices which seriously threatened the profitability of agricultural activity, induced the Hungarian Government to pass Act XXII of 1930 which established a premium on the production of wheat and rye by introducing the so-called "grain ticket system". 1/

This system is essentially as follows: "The ownership of wheat, rye and maslin can be transferred only if such transfer be accompanied by the handing-over of a grain ticket. The grain ticket, which may be bought in various denominations according to quantity of grain changing hands, consists of two parts: the ticket proper and the coupon. The price of the grain tickets is three pengos for each quintal of grain changing ownership. (14.3 cents per bushel) He who buys the grain from the producer has to hand him over the coupon of the grain ticket. The ticket proper remains in the possession of the buyer, and it accompanies the grain in the course of all further transfers of ownership within the country. The producer may use the coupons at the value of three pengos per quintal of grain sold in paying all public imposts. Whatever shall remain unused of the value of the coupons after paying such imposts will be paid him in cash by the tax-office.

1/ The Government also made it possible to obtain short-term loans secured by chattel mortgages. It, further has endeavored to prevent excessive dealings in futures.

"The value of the ticket proper will be refunded by the customs authorities should the grain-even in the shape of flour- be exported.

"The fund for paying the premium is to be created by raising the turn-over tax on flour, by charges on the grinding tolls, by raising certain customs duties, particularly the duties on colonial goods, and, of course, out of the receipts of selling the grain tickets. Out of this fund will be paid the redemption of the coupons and the refunding of the premium in the case of exports as well as the land tax of such farmers, whose holdings show no larger net income than \$7.13. The effect of the whole system will be of practical benefit to the producer only after his tax arrears will have been settled by the use of the coupons of the grain tickets." (Economic Bulletin of Central Corporation of Banking Companies. 6:94-95, No.3, 1930. For the fuller discussion of this law see Special Commerce Report No.5 by William A. Hodgman, Commercial Attache at Budapest, fuller citation) (Foreign Files #77169)

On November 12, 1930 the Minister of Finance, Dr. Tekerle, reported that since the introduction of the "grain ticket system" (towards the end of July 1930) 26,823,000 bushels of wheat had been placed on the market of which 6,614,000 bushels had been exported. It was estimated that 12,660,000 bushels were still in the hands of the producers and that since July average prices for all grades of wheat have fallen 28.6 cents per bushel. This means that \$3,498,000 were required to indemnify the peasants and it has been decided to do this at the expense of the consumers. For this purpose a so-called "milling-ticket system" is to be introduced to raise the "grain tickets" from 14.3 to 28.6 cents per bushel. On November 20, 1930; this statement was superseeded by the Minister of Finance at the Conference of the Union Party. There he stated that instead of increasing the price of the Grain tickets it is planned to introduce a premium for production of 24.6 cents per acre of the farm land from which wheat was harvested. This premium is to be subtracted from the tax duties of the agricultural producers.

Exports:

It is privately estimated that the crop-year 1930-31 opened with an exportable surplus of about 1,100,000 bushels of wheat which was carried by mills, wholesalers, etc. If we accept estimated production of 1930 at 73,334,000 bushels the crop year 1930-31 opened with an exportable surplus of about 18,220,000 bushels. During the four months July-October, about 8 million bushels of wheat (including flour) were exported.

Private estimates place the exports of wheat during November and December at about 1,800,000 bushels and those of flour at about 560,000 barrels (equivalent to about 2,500,000 bushels of grain). This would indicate that at the end of December 1930 the equivalent of about 12 million bushels of wheat and flour in terms of wheat had been exported from the crop of 1930.

Carry-over December 31, 1930:

From the foregoing data, it is estimated that the exportable surplus carried over to January 1, 1931 totalled about 6,400,000 bushels, of which about 4,200,000 bushels were in commercial warehouses and about 2,200,000 bushels were still on farms. On January 1, 1930 public warehouses carried stocks amounting to 4,240,000 bushels. Exports of wheat and flour from January to June 1930 were 11,960,000 bushels.

Rumania

Production:

The 1930 wheat crop in Rumania is purported to be the largest crop the country has had since the founding of the New Kingdom just after the World War.

compared with the 1929 harvest of 99,753,000 bushels, and the 5-year average production 1925 to 1929 of 105,531,000 bushels. The increased production for 1930 was due to record yields, the area harvested being less than average.

Markets and prices:

The lively business expected during the fall months did not take place. The lack of interest in continental markets for Rumanian products during September and October is reflected in the low prices which prevailed at the Braila market.

Table 14:- Wheat: Price per bushel at Braila, Rumania at the end of the month, 1928-1930 1/

Date	:	1928	:	1929	:	1930
	:	Cents	:	Cents	:	Cents
End of:						
Jan.	:	130.6	:	124.1	:	106.1
Feb.	:	130.6	:	132.3	:	99.6
Mar.	:	132.3	:	134.7	:	89.8
Apr.	:	147.0	:	138.8	:	98.0
May	:	147.0	:	135.5	:	88.2
June	:	148.6	:	130.6	:	83.3
July	:	133.9	:	124.1	:	82.5
Aug.	:	127.4	:	111.0	:	73.5
Sept.	:	125.7	:	103.7	:	58.8
Oct.	:	133.9	:	106.1	:	55.5
Nov.	:	132.3	:	101.2	:2/	57.2
Dec.	:	127.4	:	99.6	:2/	62.1

Banque Nationale de Roumanie Bulletin d'information et de documentation, 2:885, No. 11.

1/ Prices are converted at current rates of exchange and are for first quality wheat 61-62 pounds per winchester bushel, 2 per cent foreign matter.

2/ Correspondent L. Lorinez.

Farm prices were even lower than those at Braila. The peasants of Southern Rumania received scarcely 32.7 cents per bushel for a quintal of wheat, during the week ended November 18. Barley brought 13.1 cents and corn 19.1 cents per bushel. The peasants were reluctant to sell, except when driven by necessity. The total incomes to individuals who sold their grain were often not sufficient to cover private debts and taxes. Even these low prices were above world parity which restricted export during the first half of the month. A healthier price tone prevailed toward the close of the week ending Saturday November 22 in consequence of better news from abroad.

1/ The rise in prices continued until November 28 when a downward tendency of the market again set in. During the rise in prices Rumanian banks induced their poorer clients to sell their holdings before the closing of the Danube traffic at prices considerably higher than were offered during the previous week.

1/ Sailors returning from Russia reported that ships destined to load Russian grain had to depart empty because stocks had run low. After leaving Russian ports these ships sailed to Constanza where a considerable rising of Rumanian grain prices followed. News item in Vienna. Neue Freie Press November 25, 1930.

In spite of the more stabilized market situation and the good condition of roads and highways the peasants, who have not recovered from the recent ruinous low rates were not willing to sell their surplus grain, so deliveries at ports have been scarce. The peasants were also influenced to hold their grain by news that the Government planned to legislate to stabilize prices and that French Banking concerns would grant financial aid. It was expected that Government aid would be extended some time in November, but when the Danube River traffic closed in December it was still uncertain when the Rumanian Marketing act would become a law.

The forthcoming Government Aid (See Special Report No. 11 dated December 24, 1930 from Danube Basin Office to Foreign Service Division, Bureau Agricultural Economics (Foreign Files #77174) is first of all to abolish all taxes on export grain, then a company, with an initial capital of \$600,000, is to be founded for sale and purchase of bread cereals. Ninety five per cent of this company's shares will be in the hands of the Government and 5 per cent in private hands. This company is also to receive cheap credits for the sum of \$1,500,000.

This company is designed chiefly to supply the Army and other Government institutions with bread-cereals and, as critical situations arise, it will, by authorization and under the control of the Government, intervene and purchase grain on the open market.

The export trade is to remain free, but the firms engaged in this line of business must all be members of the Union of Export Firms, which is to be founded with permissions of the Government and which must operate according to treaty agreements to be made with other countries.

This Export Union is also to act as a Government organ and make incidental contingent sales to different countries and in return is to enjoy special privileges or export premiums granted by the Government. These premiums are to be established by the Millers' Syndicate (to be formed at a future date) in the form of taxes on flour produced by mills and designed for domestic consumption. A portion of these taxes are to be used for the benefit of agriculture.

Export: If we assume that the export year begins July 1, Rumania exported during the year 1929-1930 about 3 million bushels of wheat as grain from a crop of about 100 million bushels.

In 1930, the estimated production reached 130,770,000 bushels. Reports available indicate exports from July 1 through September 1930 of about 7 million bushels compared with less than half a million in that period last year. The trade reports that the best grades of wheat were sent abroad and that unsold stocks consist principally of wheat weighing 59 pounds per Winchester bushel, admixed with 7 to 10 per cent rye and 3 to 4 per cent of foreign material.

Carry-over on December 31, 1930. Trade estimates regarding stocks of wheat that may be placed on the market in the spring differ widely and range from 11 to 18 million bushels. In view of the poor grade of remaining stocks, and a probable tendency to consume wheat within the country exports are not expected to equal this figure.

Yugoslavia

Production: The 1930 wheat production in Yugoslavia is estimated by various agencies at figures ranging between 71,649,000 bushels and 89,605,000 bushels. The highest estimate was made by the Ministry of Agriculture, and the lower estimate was made by private agencies from very recent data. One of the best informed private concerns and the "Privileged Export Company", which is working in very close touch with the Government, has recently estimated the crop at 77 million bushels. This compared with 94,999,000 bushels the official estimate of 1929 and 80,936,000 bushels the five-year average production 1925-1929.

Markets and prices: Between the second half of August and the second half of November 1930, the wheat situation in Yugoslavia has been influenced by bearish markets in central Europe, and low prices in Rumania and Bulgaria. This situation is reflected in the price decline as indicated in the following Table 15:

Table 15.- Wheat and corn: Price per bushel of various trade grades in Yugoslavia, August 23 to December 19, 1930

Grade 1/	Aug. 23	Sept. 20	Oct. 25	Nov. 22	Dec. 19
Wheat	Cents	Cents	Cents	Cents	Cents
Tissa	84.8	77.1	71.3	67.4	69.8
Banat	83.3	75.1	68.4	64.1	67.4
Srem	79.5	68.4	61.7	60.2	60.2
Serbia	76.1	67.9	60.7	60.2	60.2
Sava	75.6	69.8	60.7	60.2	60.2
Corn	57.1	45.9	43.3	33.7	37.3

Office record of daily quotations taken from "Vreme" a local daily paper.

1/ The best grade of wheat in Yugoslavia is produced in the valley of the Tissa. Tissa wheat always commands the highest price both on the domestic and foreign market of any Yugoslavian wheat. The next best grade of wheat is produced in the territory immediately east, south, and west of the Tissa valley and is known to the trade as Banat. An averagely good wheat is produced in the Srem district in eastern Croatia-Slavonia and is sold under that name. The wheat produced south of the Danube River is of the poorest quality and is known to the trade as Serbian whereas Bosnian wheat is of the poorest quality and is marketed under the trade name of Sava, because most of the wheat from Bosnia appearing on Yugoslavian markets is grown in the valley of the Save River.

It was impossible to market Yugoslavian wheat in western Europe during November because of overseas competition and shipments from Russia and Rumania, via the Black Sea. Therefore no wheat was shipped down the Danube. Central European markets reached by barges up the Danube offered better prices, but their purchasing capacity was relatively small.

The situation in Yugoslavia became acute during November. Prices were so low that a general opinion was expressed that the bottom was reached. The decision of the Canadian Government and bankers to help the Pool and the intervention of the Federal Farm Board as well as news that Russian offers were decreasing has led to the hope that better prices are in prospect.

The Administrative Committee of the Privileged Export Company held a session November 26 and proposed to the Government that it was necessary for the Company to purchase all grain offered at prices based on those of central European markets, that can be reached by barges up the Danube, which were somewhat higher than those of western Europe, reached by shipments down the Danube. It was recommended that the grain thus purchased should not be exported immediately because of the depressing effect it might have upon the markets but should be marketed as opportunity offered for favorable placement. The Government guaranteed to cover any losses and therefore the Privileged Export Company has been able to accept all wheat offered at prices above the world parity. Between November 22 and December 19 there was an improvement in the price of export grades of wheat. Tissa wheat improved from 67.4 - 69.8 and Banat from 64.1 - 67.4 cents per bushel, whereas the common grades, Sram, Serbia, and Sava remained at a level of 60.2 cents per bushel.

Exports: Official figures of total export of wheat and flour in terms of wheat from July 1 to October 31, show that 3,700,000 bushels had been shipped abroad. Unofficial estimates for November indicate that the quantity moved for the month was approximately 85,000 bushels. This added to the previous export indicates a total movement by the end of November of 3,785,000 bushels as compared to last year's movement for the same period of 16,733,000 bushels.

All information from trade sources indicates that stocks from the 1929 crop on hand July 1, 1930 were of minor importance, and can be taken as zero. The wheat moved from July to November 1930 was practically all from the 1930 crop. The July 1929 stocks were also of minor importance. Grain exporters in Yugoslavia expect exports from this year's crop to reach approximately 7 million bushels as compared to exports from the 1929 crop officially given at 23,595,000 and the average export 1925-1929 of 10,821,000 bushels. Deducting the export from July 1 to November 30, from the quantity available for export we find that exportable stocks on hand at the end of November 1930 were approximately 3,564,000 bushels as compared to 6,860,000 bushels on hand at the same date in 1929. Average exportable stocks 1925-1929 at the end of November were approximately 6,496,000 bushels as estimated from seasonal movement to that date (assuming no carry-over) and total movement for the crop year.

Carry-over December 31, 1930. It is estimated by the Privileged Export Company that at least 65 per cent of the exportable surplus of 7 million bushels will have been exported by the end of the calendar year 1930. This would indicate a carry-over into 1931 of about 2.6 million bushels. A sharp advance in prices might increase this exportable surplus somewhat, but under present conditions of low prices it is probable that Yugoslavia will not ship abroad more than 2 million bushels of wheat and flour in terms of wheat before the 1931 crop appears on the market.

Table 16.- Wheat including flour: Exports from principal exporting countries, November, December, July-December, 1929 and 1930

Country	Nov.		Dec.		July-Dec.	
	1929	1930	1929	1930	1929	1930
	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels
United States	15,155	8,701	12,428	6,906	92,195	83,585
Canada	24,866	34,784	18,683	24,940	110,220	167,586
Argentina	3,308:1/	2,912	12,712	4,964	97,930:1/	24,376
British India	348:1/	256	292	40	2,695:1/	5,632
Australia	2,409:1/	5,460	4,485	10,320	22,861:1/	38,868
Russia 1/	0	23,328	0	11,944	0:2/	71,432
Danube and Bulgaria :	:	:	:	:	:	:
1/	3,640	1,792	2,680	1,552	14,488	10,990
Total	54,726	77,233	51,280	60,666	340,389	405,469

Compiled from official and trade sources. 1/ Preliminary.

2/ Reports from different sources vary, figures here given are from Broomhall's Corn Trade News.

Table 17.- Wheat including flour: Shipments from principal exporting countries

Country	:	:	Shipments, weeks			Total shipments or	
	Total shipments	:	ended			exports from July 1	
	or exports	:	1931			to and incl. Jan. 17	
	1928-29	1929-30	Jan. 3	Jan. 10	Jan. 17	1929-30	1930-31
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels	bushels
North America 1/...	499,942	301,342	3,902	4,613	5,782	168,453	212,894
Canada, 4 markets 2/	458,649	193,380	1,491	2,534	2,229	122,976	185,556
United States	163,687	153,316	1,018	665	677	97,364	88,970
Argentina	227,059	161,265	1,260	970	2,400	102,826	27,746
Australia	107,785	61,892	2,196	3,712	4,856	26,705	47,436
Russia	8	5,672	1,216	648	400	0	72,480
Danube and Bul-	:	:	:	:	:	:	:
garia 3/	33,975	18,640	312	72	64	14,960	11,126
British India	4/ 5,687	4,957	0	8	0	2,695	5,640
Total 5/	874,456	553,768	8,886	10,023	13,502	315,639	377,322
Total European ship-	:	:	:	:	:	:	:
ments 6/	705,396	490,488	5,896	--	--	256,368	323,847
Total ex-European :	:	:	:	:	:	:	:
shipments 6/	220,664	141,904	3,680	--	--	77,418	69,260

Compiled from official and trade sources. 1/ Bradstreet's, weeks ending Thursday, including flour converted at 4.5 bushels per barrel. 2/ Fort William, Port Arthur, Vancouver and Prince Rupert. 3/ Hungary, Yugoslavia, Rumania and Bulgaria. 4/ Net imports for year 1928-29 were 21,861,000 bushels, 1929-30 figures not yet available. 5/ Total of trade figures include North America as reported by Bradstreet's. 6/ Total as reported by Broomhall's Corn Trade News.

Table 18.- Wheat and wheat including flour: United States exports
by weeks, 1929-30 and 1930-31

Date	Wheat		Wheat flour		Wheat incl. flour	
	1929-30	1930-31	1929-30	1930-31	1929-30	1930-31
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: bushels	: bushels	: barrels	: barrels	: bushels	: bushels
July 5-Aug. 2	8,912	12,937	969	354	13,467	16,951
Aug. 9-Aug. 30	16,060	14,057	727	827	19,477	18,226
Sept. 6 - Sept. 27...	10,307	11,234	507	1,084	15,070	15,753
Oct. 4 - Nov. 1	8,959	6,276	1,101	1,195	14,134	11,892
Week ended-	:	:	:	:	:	:
Nov. 8	1,320	1,097	106	223	1,818	2,145
15	2,561	517	288	163	3,915	1,283
22	1,608	819	184	162	2,673	1,580
29	1,465	99	150	257	2,170	1,507
Dec. 6	2,509	1,214	246	105	3,665	1,708
13	1,753	555	171	121	2,557	1,124
20	410	373	166	210	1,190	1,360
27	900	274	187	158	1,772	1,017
Jan. 3	1,996	238	136	166	2,655	1,018
10	1,382	219	271	95	2,656	665
17	1,578	188	199	104	2,513	677

Compiled from weekly report of the Department of Commerce.

Table 19.- Wheat including flour: Shipments from principal exporting
regions, specified dates, 1929-30 and 1930-31

Date	Argentina		Australia		Danube		North America	
	1929-30	1930-31	1929-30	1930-31	1929-30	1930-31	1929-30	1930-31
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: bushels	: bushels	: bushels	: bushels	: bushels	: bushels	: bushels	: bushels
July 5-Aug. 2	17,648	4,892	5,744	6,320	456	408	36,101	37,547
Aug. 9-Aug. 30 ...	23,744	3,728	5,236	4,812	504	1,368	22,451	38,304
Sept. 6-Sept. 27..	19,132	2,800	4,760	4,144	3,008	3,950	20,076	37,140
Oct. 4-Nov. 1 ...	20,500	5,000	2,372	7,808	4,200	1,920	27,176	37,505
Week ended-	:	:	:	:	:	:	:	:
Nov. 8	2,712	600	529	1,848	596	528	6,325	6,851
15	2,300	864	292	1,724	1,232	632	4,645	6,671
22	2,068	544	824	858	680	520	9,049	8,312
29	1,220	904	196	1,000	832	112	5,407	3,136
Dec. 6	3,408	924	524	1,896	736	264	8,153	3,300
13	3,312	544	1,036	1,848	360	568	5,550	6,846
20	2,208	1,244	1,036	2,180	1,240	192	3,626	4,021
27	3,206	932	2,128	2,200	144	216	3,417	4,964
Jan. 3	1,512	1,260	1,120	2,196	200	312	4,368	3,902
10	2,316	970	1,772	3,712	328	72	5,678	4,613
17	2,530	2,400	2,072	4,856	144	64	6,230	5,762

Compiled from official and trade sources.

Table 20.- Wheat including flour: Net imports into European importing countries, 1928-29 to 1930-31

Country			: Prelim. : Net imports reported			
	: 1928-29	: 1929-30	: estimate: July 1	:	:	:
	:	:	: 1930-31	: to	: 1929-30:	1930-31
	: Million	: Million	: Million	:	: Million	: Million
	: bushels	: bushels	: bushels	:	: bushels	: bushels
United Kingdom	204	202	200-210	: Nov. 30	: 103	: 100
Italy	90	43	80- 90	: Nov. 30	: 12	: 31
Germany	68	60	40- 50	: Nov. 30	: 29	: 16
France	51	20		: Oct. 31	: 21	: 8
Belgium	41	43	40- 45	: Nov. 30	: 19	: 20
Netherlands	29	30	30- 32	: Nov. 30	: 14	: 17
Czechoslovakia	17	14	13- 15	: Oct. 31	: 5	: 6
Greece	22	22	21- 23	: Oct. 31	: 6	: 3
Irish Free State ...	18	17		: Sept. 30	: 5	: 5
Austria	15	18	15- 18	: Oct. 31	: 6	: 5
Switzerland	15	17	16- 17	: Nov. 30	: 9	: 9
Sweden	8	7	5- 7	: Nov. 30	: 4	: 3
Norway	9	7	7- 8	: Nov. 30	: 4	: 4
Denmark	17	8	9- 11	: Nov. 30	: 4	: 4
Finland	6	6	5- 6	: Nov. 30	: 3	: 3
Poland	4 : <u>1/3/</u>			: Nov. 30	: <u>1/</u>	: <u>3/</u> 2
Spain	: <u>2/</u> (15):	4	5- 10	: Oct. 31	: 4	: <u>1/3/</u>
Portugal	: <u>2/</u> (8):	6	2- 3	: Nov. 30	: 3	: 1
Estonia	1	1	1- 2	: Oct. 31	: <u>1/</u>	: <u>1/</u>
Latvia	2	2	2- 3	: Sept. 30	: 1	: 1
Total	640	527			252	239
1/ Less than 500,000. 2/ Unofficial. 3/ Net export.						

Table 21.-Wheat: Closing price per bushel of May futures

	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires
Date	1929:1930	1929:1930	1929:1930	1929:1930	1929:1930	1929:1930
	Cents	Cents	Cents	Cents	Cents	Cents
Dec. 18:	129 : 81	122 : 73	129 : 76	138 : 58	139 : 70	2/121:2/57
25:	136 : 3/82	129 : 3/73	136 : 3/76	146 : 3/55	148 : 3/63	2/128:2/51
31:	135 : 81	127 : 73	134 : 76	146 : 54	148 : 62	2/128:2/49
	1930:1931	1930:1931	1930:1931	1930:1931	1930:1931	1930:1931
Jan. 8:	132 : 82	125 : 74	132 : 77	141 : 57	142 : 64	2/122:2/52
15:	127 : 84	120 : 75	127 : 78	132 : 56	138 : 63	119:2/50
22:	128 : 83	121 : 74	128 : 77	135 : 57	137 : 62	119:2/47
29:	120 : 82	114 : 73	120 : 77	126 : 59	132 : 61	118:2/47
Feb. 5:	121 : 113	120 : 126	126 : 126	126 : 114	126 : 114	114 :
12:	123 : 116	123 : 128	128 : 129	129 : 113	129 : 113	113 :
19:	113 : 106	114 : 114	114 : 117	117 : 104	117 : 104	104 :

1/ Prices are of day previous to other prices.

2/ March futures. 3/ Price is for December 24.

Table 22.-Wheat: Weighted average cash price per bushel at stated markets

	All classes and grades	No. 2	No. 1	No. 2	No. 2	Western white
Week ended	six markets	Kansas City	Minneapolis	Minneapolis	St. Louis	Seattle
	1929:1930	1929:1930	1929:1930	1929:1930	1929:1930	1929:1930
	Cents	Cents	Cents	Cents	Cents	Cents
Dec. 12:	122 : 74	120 : 72	130 : 79	124 : 76	132 : 85	124 : 68
19:	120 : 73	118 : 71	128 : 77	119 : 73	132 : 81	122 : 66
26:	123 : 72	122 : 70	132 : 76	122 : 72	135 : 82	124 : 65
	1930:1931	1930:1931	1930:1931	1930:1931	1930:1931	1930:1931
Jan. 2:	126 : 71	125 : 69	136 : 75	124 : 72	137 : 81	126 : 66
9:	123 : 71	121 : 69	133 : 75	122 : 72	136 : 78	126 : 66
16:	121 : 73	118 : 71	131 : 78	118 : 73	134 : 79	123 : 66
23:	122 : 72	118 : 69	131 : 77	119 : 73	133 : 80	123 : 66
30:	118 : (71)	114 : 69	127 : 76	115 : 72	129 : 76	120 :
Feb. 6:	117 : 112	125 : 111	123 : 116	123 : 116	123 : 116	116 :
13:	119 : 112	126 : 112	127 : 117	127 : 117	127 : 117	117 :
	:	:	:	:	:	:

1/ Weekly average of daily cash quotations basis No. 1 sacked 30 days delivery.

Table 23.- Wheat: Closing price per bushel of July futures

Date	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Aires	1/
	1929	1930	1929	1930	1929	1930	1929
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Dec. 6	136	73	129	67	138	--	149
13	129	70	122	64	131	--	140
20	132	67	124	62	133	73	142
27	136	63	129	58	138	71	148
	1930	1931	1930	1931	1930	1931	1930
Jan. 3	153	66	126	60	134	73	145
10	132	66	124	60	132	73	141
17	129	66	122	60	129	74	136
24	128	64	121	59	129	73	134
31	124	66	117	60	124	73	131
Feb. 7	122		115		123		127
14	121		114		122		125

1/ Prices are of day previous to other prices.

Table 24.- Wheat: Price per bushel at important world markets,
July-January, 1929-30 and 1930-31

Month and week	Liverpool		Winnipeg 2/		Kansas		Buenos	
	Parcels 1/		City 3/		City 3/		Aires 4/	
	1929-30	1930-31	1929-30	1930-31	1929-30	1930-31	1929-30	1930-31
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
July	121	106	152	90	125	80	120	94
Aug.	142	108	152	88	123	81	120	95
Sept.	137	93	144	74	124	78	118	82
Oct.	136	86	134	68	122	74	117	70
Nov.	125	81	126	60	119	69	112	64
1st week.	118	84	126	64	118	71	111	69
2nd " ..	120	81	120	62	113	67	108	65
3rd " ..	130	76	127	57	120	68	114	60
4th " ..	134	80	129	58	121	70	117	63
Dec.	141	--	130	48	121	71	121	56
1st week.	143	77	134	52	125	71	121	62
2nd " ..	138	74	129	51	120	72	118	58
3rd " ..	142	74	126	48	118	71	120	54
4th " ..	141 5/	77	130	44	122	70	126	48
	1930	1931	1930	1931	1930	1931	1930	1931
Jan.								
1st week.	145 5/	67	133	46	125	69	125	50
2nd " ..	151		128	48	121	69	119	50
3rd " ..	135		123	47	118	71	116	47
4th " ..	144		121	47	118	69	116	46

1/ Average of all parcels: Compiled from Broomhall's Daily Corn Trade News.

2/ No. 3 Manitoba Northern. 3/ No. 2 Hard Winter. 4/ Early delivery futures; from the New York Journal of Commerce. 5/ Two days' quotations.

Table 25.-Wheat: Liverpool parcels price per bushel by classes,
July - December 1929 and 1930

Month and week	No. 3 Manitoba:		No. 2 Hard		Rosafé	
	Northern		Winter		(62½ lbs.)	
	1929	1930	1929	1930	1929	1930
	Cents	Cents	Cents	Cents	Cents	Cents
July	164	109	143	103	140	103
Aug.	170	107	144	105	140	108
Sept.	162	95	140	96	134	96
Oct.	152	86	132	--	125	82
1st week.	155	89	134	88	124	85
2nd " ..	156	85	137	83	129	82
3rd " ..	154	86	134	--	128	81
4th " ..	147	86	128	--	122	80
5th " ..	147	86	129	--	122	80
Nov.	144	80	130		121	76
1st week	146	83	130	--	123	80
2nd " ..	138	80	124	--	116	78
3rd " ..	142	76	130	--	121	71
4th " ..	148	79	136	--	125	74
Dec.						
1st week	156	77	147	--	140	70
2nd " ..	152	75	143	--	136	71
3rd " ..	149	73	138	--	132	69
4th " ..	151	72	139	--	135	66

Compiled from Broomhall's Daily Corn Trade News.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

WH-58

February 28, 1931

WORLD WHEAT PROSPECTS

Summary

World wheat prices have improved slightly during February. A 35 million bushel reduction in the official estimate of the Argentine crop has reduced the apparent surplus of the four principal non-European exporting countries. The continuation of price relationships only moderately favorable to heavy feeding of wheat in the United States, on the other hand, is probably tending to reduce the amount fed livestock below intentions and to increase correspondingly the exportable surplus.

Supplies in exporting countries are still large and the European trade appears unwilling to buy much beyond current requirements. Supplies of wheat in Canada, the United States, Argentina and Australia are sufficient to assure importers that their requirements can be more than filled and the possibility of material shipments from Russia lends an uncertainty to the situation which does not encourage large forward commitments. However, the relaxation of milling restrictions for the remainder of the season in Germany, and declining

stocks of domestic grain generally appear to be resulting in some increase

current requirements and promise to maintain a more active buying interest

during the next few months than was in evidence during December and January.

The decline in Russian shipments, which set in about mid-November and continued into January, resulted in a marked decrease in the world total of wheat and flour shipments and an easing of the pressure of these shipments on the world market before shipments of the new crop of the Southern Hemisphere became large. During recent weeks shipments from Argentina and Australia have mounted rapidly until the total of overseas shipments has

risen to a level about as high as that maintained during the fall months, despite an almost complete cessation of exports from the United States.

World trade and surpluses of wheat

A shift in the source from which wheat supplies of the importing countries are being obtained has occurred during the past month. Beginning in the latter part of November, a marked decline of shipments from Russia and Danubian countries, together with some slackening of shipments from North America, resulted in the total of world wheat and flour shipments falling off rapidly. From a weekly level of around 17 million bushels during mid-November, world shipments declined to a low point of less than 10 million bushels at the close of December. Then increasing shipments from the Southern Hemisphere swung world shipments upward.

Exports from Australia began to increase steadily in December, rising from a level of a little over 1 million bushels at the close of November to between 4 and 5 million bushels weekly by the end of January. The marked rise of Argentine shipments did not set in until January, but from a level of about 1 million bushels weekly at the beginning of the new year, they rose to over 4 million during the first half of February. In addition, there was some increase during late January and early February in the shipments from North America and from Russia, so that the total of world shipments rose from an average level of about 11 million bushels weekly early in January to about 16 million bushels in the first half of February.

Such a shift in the source of importers supplies is usual at this time of year following the harvesting of the Southern Hemisphere crops, but it is attended with uncertainty as to the volume and quantity of shipments which will be forthcoming from the Southern Hemisphere.

Table 1.- United States: Exports of wheat and wheat including flour, by weeks, 1929-30 and 1930-31.

Date	Wheat		Wheat flour		Wheat including flour	
	1929-30	1930-31	1929-30	1930-31	1929-30	1930-31
	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	barrels	barrels	bushels	bushels
July 5-Aug. 2	8,912	12,937	969	854	13,467	16,951
Aug. 9-Aug.30	16,060	14,057	727	887	19,477	18,226
Sept.6-Sept.27	10,807	11,264	907	1,084	15,070	15,753
Oct. 4-Nov. 1	8,959	6,276	1,101	1,195	14,134	11,892
Nov. 8-Nov.29	7,154	2,532	728	605	10,576	6,315
Week ended						
Dec. 6	2,509	1,214	246	105	3,665	1,708
13	1,753	555	171	121	2,557	1,124
20	410	373	166	210	1,190	1,360
27	900	274	187	158	1,779	1,017
Jan. 3	1,936	238	136	166	2,635	1,018
10	1,382	219	271	95	2,656	665
17	1,578	188	199	128	2,513	790
24	1,001	23	167	145	1,786	705
31	1,593	532	293	154	2,970	1,256
Feb. 7	2,380	63	84	102	2,775	542
14	1,422	4	152	122	2,136	577
21	373	19	157	104	1,111	508
28	734		237		1,846	

Compiled from weekly report of the Department of Commerce.

Table 2.- Wheat including flour: Shipments from principal exporting regions, specified dates, 1929-30 and 1930-31

Date	Argentina		Australia		Danube		North America	
	1929-30	1930-31	1929-30	1930-31	1929-30	1930-31	1929-30	1930-31
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels	bushels	bushels
July 5-Aug 2	17,648	4,892	5,744	6,320	456	408	36,101	37,547
Aug. 9-Aug.30	23,744	3,728	5,236	4,812	504	1,368	22,451	38,304
Sept. 6-Sept.27	19,132	2,860	4,760	4,144	3,008	3,950	20,076	37,140
Oct. 4-Nov. 1	20,500	5,000	2,372	7,808	4,200	1,920	27,176	37,505
Nov. 8-Nov.29	8,300	2,912	1,840	5,460	3,640	1,792	25,327	24,970
Week ended								
Dec. 6	3,408	924	524	1,896	736	264	8,153	8,300
13	3,312	544	1,056	1,848	360	568	5,350	6,846
20	2,208	1,244	1,036	2,180	1,240	192	3,626	4,021
27	3,208	992	2,128	2,200	144	216	3,417	4,964
Jan. 3	1,512	1,260	1,180	2,196	200	312	4,868	3,902
10	2,316	968	1,772	3,716	328	72	5,678	4,613
17	2,580	2,404	2,072	4,856	144	64	6,230	5,782
24	4,216	2,368	2,728	3,732	80	16	5,619	5,633
31	2,732	3,524	1,220	5,416	128	0	6,212	5,877
Feb. 7	2,416	3,611	2,056	4,512	16	88	6,136	5,255
14	2,692	4,386	1,592	4,000	272	160	5,203	6,694
21	3,048	4,293	2,064	4,608	96	0	5,540	5,325
28	3,028		2,260		0		3,050	

Compiled from official and trade sources.

This year, an unusually large crop in Australia makes shipments from that country of more than usual importance, and is resulting in a volume of shipments which has surpassed the level of early 1929, and is very much in excess of last year's shipments. Argentina, on the other hand, is officially reported to have a much smaller production and exportable surplus than in 1928-29, but nevertheless the exportable surplus is markedly in excess of that of a year ago. In line with this change in the exportable surplus, Argentine shipments have increased during January and February to a level above that of last year, but much below the level of those months in 1929.

The probable surplus remaining for export and carry-over in the four countries, United States, Canada, Australia and Argentina, has been reduced by exports during the month of January, but has also been affected by a reduction in the estimate of the Argentine crop and by changes in prospects for feeding in the United States. The official estimate of the Argentine crop was reduced from 271 million bushels to 239 million. There was also a slight decrease in the estimated carry-over from the previous harvest so that the amount available for export or carry-over as of the beginning of the present crop year is officially estimated as 165 million bushels against the December estimate of 200 million. This revision necessitates a change in the total surplus for the four countries, as given in the January issue of World Wheat Prospects (Table 2, page 5) from 834 to 799 million bushels.

In calculating the surplus as of February 1, it is necessary to subtract for each of the countries net exports for the month of January. The movement of wheat from these four surplus countries during January was about the same as a year ago. While shipments from Canada and Australia were larger, the exports from the United States and Argentina show a notable decrease compared with last year. Hence, the calculated surplus for these four countries as of February 1 is 69 million bushels larger than on February 1, 1930. It must be borne in mind, however, that the errors in estimates of production, carry-over and disposition may cause the actual surplus to be different. In estimating the surplus available for export and carry-over, calculated disposition in the United States has been made to include 236 million bushels estimated as of November 15 to have been fed or to be fed during the remainder of the crop season. (See World Wheat Prospects, December 23, 1930, page 6). Changes in the relationship between wheat and feed grain prices since November have probably tended to reduce the amount fed to live stock somewhat and to correspondingly increase the exportable surplus.

The exportable surplus in Canada on January 1 was estimated at 240 million bushels on the basis of production plus carry-over minus exports and assuming utilization within the country to be 125 million bushels. Exports during January were 11 million bushels, leaving a surplus on February 1 of 229 million bushels compared with 202 million bushels on February 1, 1930. Stocks of wheat in store in Canada on January 30, 1931 had declined to 204 million bushels compared with 221 million on January 31, 1930 and 213 million bushels on February 1, 1929.

The official estimate of the surplus available for export from the 1930-31 crop in Argentina has been reduced from 200 million to 165 million bushels following a reduction in the estimate of the crop. The first official estimate of the crop released in December was 271 million bushels but, according to the estimate released February 14, the harvest amounted to only 239 million bushels. Shipments from Argentina, as compiled from trade sources, show a total movement during January of 8.9 million bushels compared with 13.4 million bushels in January 1930. Deducting shipments from the export surplus of 165 million, leaves a balance of 156 million bushels compared with 89 million bushels on February 1, 1930. Unfavorable weather conditions were apparently the cause of at least a greater part of the reduction in the estimate of the crop. Agricultural Commissioner Ray at Buenos Aires cabled on February 10 that heavy rains late in December and January caused not only deterioration in the quality of the crop but also some loss in the total outturn. Mr. Ray believes, however, that the quality of this year's crop is on the whole better than last year but not equal to the good quality crop harvested in 1928-29.

Australia shipped 17.7 million bushels of wheat during four weeks of January compared with 7.8 million bushels a year ago. Subtracting these amounts from the estimated surpluses leaves a balance on February 1, 1931 of 145 million bushels against 83 million bushels on February 1, 1930.

The total amount available for export in the two Southern Hemisphere countries on February 1 on the basis of the above computations was 301 million bushels against 172 million bushels on February 1, 1930.

Table 3.-Wheat: Surplus for export and carry-over in the four principal exporting countries, February 1, 1930-31

Country and item		1930	1931
		Million bushels	Million bushels
Surplus, Jan. 1	1/		
United States.....		327	231
Canada.....		209	240
Argentina.....		100	2/ 165
Australia.....		91	163
Total		726	799
Exports, Jan.			
United States.....	3/	13	3/ 4
Canada.....	3/	7	4/ 11
Argentina.....	5/	13	5/ 9
Australia.....	6/	8	5/ 18
Total		41	42
Balance, Feb. 1			
United States.....		314	227
Canada.....		202	229
Argentina.....		39	156
Australia.....		83	145
Total		688	757

1/ The method of computing the surplus on January 1 is explained in detail in World Wheat Prospects, WH-57, January 31, 1931, page 5.

2/ The official estimate of the surplus available for export on January 1 was reduced from 200 million to 165 million bushels in a report issued February 14, 1931.

3/ Net exports, wheat and flour. 4/ Total exports, wheat and flour. 5/ Trade data. 6/ Trade data for four weeks. The International Institute of Agriculture reported exports in January 1930 at 2 million bushels.

Table 4.- Wheat: Closing prices of July futures

Date	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires	1/					
	1930	1931	1930	1931	1930	1931	1930	1931				
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents				
	:	:	:	:	:	:	:	:				
Jan.	10: 132	: 66	: 124	: 60	: 132	: 73	: 141	: 57	: 140	: 64	: --	: --
	17: 129	: 66	: 122	: 60	: 129	: 74	: 136	: 57	: 137	: 64	: --	: --
	24: 128	: 64	: 121	: 59	: 129	: 73	: 134	: 58	: 137	: 63	: --	: --
	31: 124	: 66	: 117	: 60	: 124	: 73	: 131	: 59	: 133	: 63	: --	: --
Feb.	7: 122	: 67	: 115	: 61	: 123	: 73	: 127	: 64	: 128	: 65	: --	: --
	14: 121	: 69	: 114	: 63	: 122	: 73	: 125	: 65	: 128	: 65	: --	: --
	21: 116	: 68	: 109	: 62	: 116	: 72	: 117	: 65	: 123	: 67	:	:
	28: 116	:	: 108	:	: 118	:	: 119	:	: 124	:	:	:
Mar.	7: 110	:	: 102	:	: 110	:	: 111	:	: 116	:	:	:
	14: 105	:	: 97	:	: 104	:	: 107	:	: 105	:	:	:
	21: 108	:	: 100	:	: 108	:	: 110	:	: 114	:	:	:
	:	:	:	:	:	:	:	:	:	:	:	:

1/ Prices are of day previous to other prices.

Table 5.- Wheat: Closing prices of May futures

Date	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires	1/
	: 1930:1931	: 1930:1931	: 1930:1931	: 1930:1931	: 1930:1931	: 1930:1931	
	: Cents: Cents	: Cents: Cents	: Cents: Cents	: Cents: Cents	: Cents: Cents	: Cents: Cents	
Jan. 8:	132 :	82 :	125 :	74 :	132 :	77 :	141 :
15:	127 :	84 :	120 :	75 :	127 :	78 :	132 :
22:	128 :	83 :	121 :	74 :	128 :	77 :	135 :
29:	120 :	82 :	114 :	73 :	120 :	77 :	126 :
Feb. 5:	121 :	82 :	113 :	73 :	120 :	77 :	126 :
12:	123 :	3/84 :	116 :	3/74 :	123 :	3/77 :	128 :
19:	113 :	82 :	106 :	74 :	114 :	76 :	114 :
26:	113 :	:	105 :	:	114 :	:	117 :
Mar. 5:	112 :	:	103 :	:	110 :	:	112 :
12:	108 :	:	98 :	:	106 :	:	104 :
19:	110 :	:	101 :	:	108 :	:	110 :
	:	:	:	:	:	:	:

1/ Prices are of day previous to other prices.

2/ March futures. 3/ Prices are for February 13.

Table 6.- Wheat: Weighted average cash prices at stated markets

Week ended	All classes:	No. 2	No. 1	No. 2	No. 2	Western	1/
	: and grades:	Hard	Winter	Dk. N. Spring	Amber Durum	Red	
	: six markets:	Kansas City	Minneapolis	Minneapolis	St. Louis	Seattle	
	: 1930:1931	: 1930:1931	: 1930:1931	: 1930:1931	: 1930:1931	: 1930:1931	
	: Cents: Cents	: Cents: Cents	: Cents: Cents	: Cents: Cents	: Cents: Cents	: Cents: Cents	
Jan. 9:	123 :	71 :	121 :	69 :	133 :	75 :	122 :
16:	121 :	73 :	118 :	71 :	131 :	78 :	118 :
23:	122 :	72 :	118 :	69 :	131 :	77 :	119 :
30:	118 :	71 :	114 :	69 :	127 :	76 :	115 :
Feb. 6:	117 :	71 :	112 :	69 :	125 :	76 :	111 :
13:	119 :	71 :	112 :	69 :	126 :	76 :	112 :
20:	115 :	71 :	112 :	69 :	125 :	75 :	104 :
27:	114 :	:	112 :	:	125 :	:	100 :
Mar. 6:	111 :	:	106 :	:	120 :	:	98 :
13:	102 :	:	100 :	:	113 :	:	94 :
	:	:	:	:	:	:	:

1/ Weekly average of daily cash quotations basis No. 1 sacked 30 days delivery.

Table 7.- Wheat: Price per bushel at important world markets,
July-February, 1929-30 and 1930-31

Month and week	Liverpool		Winnipeg 2/		Kansas		Buenos	
	Parcels 1/				City 3/		Aires 4/	
	1929-30	1930-31	1929-30	1930-31	1929-30	1930-31	1929-30	1930-31
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
July	141	106	152	90	125	80	120	94
Aug.	142	108	152	88	123	81	120	95
Sept.	137	93	144	74	124	78	118	82
Oct.	136	86	134	68	122	74	117	70
Nov.	125	81	126	60	119	69	112	64
Dec.	141	--	130	48	121	71	121	56
1st week.	143	77	134	52	125	71	121	62
2nd "	138	74	129	51	120	72	118	58
3rd "	142	74	126	48	118	71	120	54
4th "	141	5/ 77	130	44	122	70	126	48
Jan.								
1st week.	145	5/ 67	133	46	125	69	125	50
2nd "	151	70	128	48	121	69	119	50
3rd "	135	70	123	47	118	71	116	47
4th "	144	60	121	47	118	69	116	46
5th "	133	72	116	48	114	69	116	47
Feb.								
1st week.	128	67	114	51	112	69	113	46
2nd "	131		115	55	113	69	110	48
3rd "	118		107	55	112	69	103	49

- 1/ Average of all parcels: Compiled from Broomhall's Daily Corn Trade News.
 2/ No. 3 Manitoba Northern. 3/ No. 2 Hard Winter. 4/ Early delivery futures; from the New York Journal of Commerce. 5/ Two days' quotations.

Table 8.-Wheat: Liverpool parcels price per bushel by classes,
July - January, 1929-30 and 1930-31

Month and week	No. 3 Manitoba:		No. 2 Hard		Rosafé	
	Northern		Winter		(62½ lbs.)	
	1929	1930	1929	1930	1929	1930
	Cents	Cents	Cents	Cents	Cents	Cents
July	164	109	143	103	140	103
Aug.	170	107	144	105	140	108
Sept.	162	95	140	96	134	96
Oct.	152	86	132	--	125	82
Nov.	144	80	130		121	76
1st week	146	83	130	--	123	80
2nd "	138	80	124	--	116	78
3rd "	142	76	130	--	121	71
4th "	148	79	136	--	125	74
Dec.						
1st week	156	77	147	--	140	70
2nd "	152	75	143	--	136	71
3rd "	149	73	138	--	132	69
4th "	151	72	139	--	135	66
Jan.						
1st "	157	69	146	--	139	60
2nd "	153	72	142	--	137	63
3rd "	147	--	137	--	133	62
4th "	145	70	136	--	131	60
5th "	140	70	132	--	132	59

Compiled from Broomhall's Daily Corn Trade News.

Prices

There has been a small improvement in wheat prices in the free markets of the world during February. At Liverpool, May futures closed on February 25 at 64-5/8 cents per bushel compared with 60-7/8 cents on February 2, while July futures closed on the 24th at 66½ cents per bushel against 62½ cents on February 2. At Winnipeg and Buenos Aires, the net advance has been similar to that at Liverpool. May futures at Winnipeg rose from 58½ to 62½ cents from the 2nd to the 25th, while at Buenos Aires March futures rose from 46 cents per bushel to 50-3/8 cents from the 2nd to the 24th.

Although there has been a slight upward tendency thus far during the month, the improvement has not been a steady one. During the first ten days there was fairly steady improvement. This was followed, however, by a decline from the 10th to the 14th, a rise from the 14th to the 20th, and a decline since the 20th. The highest closing prices thus far at Liverpool were reached on the 20th when May futures closed at 67-1/8 and 68-3/8 cents per bushel. At Buenos Aires, the high was reached on the same date, but at Winnipeg the high was on the 10th when May futures closed at 66-5/8 cents per bushel compared with a closing price of 65-1/8 on the 20th.

The general rising tendency during February has also been in evidence in the principal protected markets of the Continent of Europe. Domestic wheat at Paris rose from a level of about 180 cents per bushel during January to 188 cents per bushel on February 18. At Milan, Italy, domestic wheat averaged about 154 cents per bushel during January, and on February 18 was quoted at 159 cents. At Hamburg, domestic wheat which averaged about 175 cents per bushel during January was 180 cents per bushel on February 19.

In United States markets there has been no rising tendency in cash prices or in old crop futures. The average price of all classes and grades at 6 markets which was 71.4 cents during January was 70.8 cents for the first week of February, 70.3 cents for the second week, and 70.8 cents for the week ended February 20. Old crop futures have fluctuated but little from the level at which the market has been given support by the Grain Stabilization Corporation. New crop futures, on the other hand, have showed divergent tendencies. At Chicago, July futures rose from a close of 66-5/8 cents on February 2 to 71-5/8 on the 10th, and then declined rather irregularly to 66-5/8 cents on the 24th. September futures, on the other hand, showed a slight net gain during the period, having closed on the 2nd at 64-7/8 cents per bushel, risen to a high closing price of 72 cents on the 10th and then declined to a close of 67½ cents, February 24. Both July and September futures advanced somewhat on the 25th, closing at 67-3/8 and 50½ cents per bushel respectively.

Wheat acreage and crop conditions

Crop condition reports from Europe continued practically unchanged during the past month. Preliminary estimates of the winter wheat acreage sown in five European countries total about 250,000 acres less than a year

ago but these countries represent less than half the winter wheat area in Europe and as the estimates are preliminary it is too early to draw conclusions of a general character.

The Italian crop outlook is favorable on an acreage now reported at 1.1 per cent larger than last year. More favorable weather was reported in France toward the end of January but the early excess of moisture is still causing anxiety in some parts. A cable dated February 12 stated that unfavorable weather conditions again prevailed. Conditions in Germany are reported as "good".

Beneficial rains fell in North Africa during January and, according to trade reports, both wheat and barley in these regions show considerable improvement. Tunis has sown an area equal to last year but the first production estimate for Algeria is nearly 25 per cent below the corresponding estimate for 1930.

General beneficial rains fell throughout the Punjab, India during the last week in January. The weather in the United Provinces continued dry and reports on the wheat outlook are generally unfavorable.

Table 9. - Wheat: Winter acreage in specified countries, 1929-1931

Country	1929	1930	1931
	1,000 acres	1,000 acres	preliminary 1,000 acres
United States.....	42,720	42,513	42,042
Canada <u>1/</u>	885	1,042	894
Bulgaria.....	2,590	2,875	2,908
Germany..... <u>2/</u>	3,632	<u>2/</u> 3,997	<u>3/</u> 4,324
Hungary.....	3,735	3,993	3,954
Italy.....	12,272	11,766	11,893
Rumania.....	6,130	6,753	6,047
Algeria <u>4/</u>	2,656	3,237	2,476
Tunis.....	1,730	1,730	1,730
India <u>4/</u>	30,404	29,319	30,364

Compiled from official sources and reports from the International Institute of Agriculture.

1/ Sown up to October 31. 2/ Final data.

3/ Acreage sown up to December 1. 4/ First estimate.

Autumn and winter weather in the Canadian Wheat Zone

Weather in the prairie provinces of Canada in the autumn and early winter has been moderately favorable for the coming wheat crop. In spite

of some deficiency of rainfall in December, January and the first twenty-four days of February, there seems to have been sufficient precipitation to assure ample moisture for the early growth of the seeds next spring. With anything like a normal rainfall in the growing season there is a prospect of at least an average yield of about 17.5 bushels to the acre. There has not been enough moisture, however, to provide much reserve for continued growth should the growing season prove dry.

Average precipitation for specified stations in Saskatchewan in the months September to November, 1930, reached 3.5 inches compared with 2.9 inches in 1929, only 1.1 inches in 1928 and an average of 3.0 inches in the twenty-four years 1904 to 1927. These are important months in storing up soil moisture for the beginning of the growing season. Earlier than September the precipitation usually has little bearing on the succeeding crop. Preceding exceptionally dry seasons, however, August and even July rainfall may be of some importance. July and August of 1930 had a precipitation considerably below average but over twice as great as in 1929.

Precipitation reported in December, January and the first twenty-four days of February has been unusually light this season, amounting to only about .4 inches compared with an average of 1.8 inches for the complete three months. Precipitation in the winter months, however, is usually light compared with the fall and summer months, and is not expected to add much to the soil moisture. Indeed, light winter precipitation seems to be associated more with high yields than low. Thus the light December-January precipitation this year is not looked upon as unfavorable.

In Alberta autumn rainfall was up to the average, even after allowance is made for light precipitation in August, totaling 4.8 inches for the four months August-November in 1930 compared with 3.1 inches in 1929, 2.1 inches in 1928 and an average of 4.9 inches for the period 1904-1927. Winter rainfall in Alberta has been light.

Table 10.- Western Canada: Average precipitation for selected stations
and wheat yield per acre, average 1904-05 to 1927-28,
annual 1926-27 - 1930-31

Item	Saskatchewan						Alberta					
	Av. :	:	:	:	:	:	Av. :	:	:	:	:	:
	1904-:	:	:	:	:	:	1904-:	:	:	:	:	:
	05 to:1926-:	1927-:	1928-:	1929-:	1930-:	05 to:1926-:	1927-:	1928-:	1929-:	1930-:	:	:
	1927-:	27 :	28 :	29 :	30 :	31 :	1927-:	27 :	28 :	29 :	30 :	31 :
	28 :	:	:	:	prel.:	prel.:	28 :	:	:	:	prel.:	prel.:
Precipitation	Inch	Inch	Inch	Inch	Inch	Inch	Inch	Inch	Inch	Inch	Inch	Inch
Aug.	2.1	2.9	1.4	.5	.4	1.0	2.2	3.5	3.1	1.3	1.1	1.2
Sept.	1.5	1.3	2.6	.4	1.2	1.7	1.3	4.4	2.7	.3	.4	2.0
Oct. ....	.9	1.0	1.2	.7	.9	1.4	.7	0.5	.6	.4	.6	.7
Nov. ....	.6	1.4	1.3	.0	.8	.4	.7	1.2	1.6	.1	1.0	.9
Dec. ....	.6	.6	.4	.4	.5	.2	.7	1.4	.9	.3	.8	.4
Jan. ....	.7	.2	.2	.6	.3	.1	.7	.3	.5	.2	.3	.0
Feb. ....	.5	.5	.1	.6	.6	1(.1)	.5	.7	.4	1.0	.2	1(.1)
Mar. ....	.7	1.2	.8	.5	.4	:	.7	.8	.9	.5	.3	:
Apr. ....	.9	1.0	.9	.5	1.0	:	.8	.9	.8	1.8	1.8	:
May:	1.9	4.0	.6	1.7	1.0	:	1.9	3.3	1.1	1.1	1.4	:
June.....:	3.2	1.1	5.1	2.1	2/3.5	:	3.2	2.9	5.7	2.1	2/2.3	:
July.....:	2.4	3.5	2.1	.6	1.3	:	2.5	6.5	2.9	1.5	1.9	:
Total:	:	:	:	:	:	:	:	:	:	:	:	:
Sept.-Nov.:	5.0	3.7	5.1	1.1	2.9	3.5	2.7	6.1	4.9	.8	2.0	3.6
Aug.-Nov.:	5.1	6.6	6.5	1.6	3.3	4.5	4.9	9.6	8.0	2.1	3.1	4.8
Dec.-Mar.:	2.5	2.5	1.5	2.1	1.8	:	2.6	3.2	2.7	2.0	1.6	:
Apr.-July:	8.4	9.6	8.7	4.9	6.8	:	8.4	13.6	10.5	6.5	7.4	:
Total:	:	:	:	:	:	:	:	:	:	:	:	:
Sept.-July:	13.9	15.8	15.3	8.1	11.5	:	13.7	22.9	18.1	9.3	11.0	:
Aug.-July:	16.0	18.7	16.7	8.6	11.9	:	15.9	26.4	21.2	10.6	12.1	:
	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.	Bush.
Wheat yield:	:	:	:	:	:	:	:	:	:	:	:	:
Dominion :	:	:	:	:	:	:	:	:	:	:	:	:
est.:	17.4	19.5	23.3	11.1	13.7	:	19.3	27.4	25.5	12.3	18.6	:
Provincial	:	:	:	:	:	:	:	:	:	:	:	:
est.:	16.9	19.5	23.3	:	:	:	19.1	27.4	23.2	:	:	:
	:	:	:	:	:	:	:	:	:	:	:	:

1/ Incomplete records through February 21. February precipitation in Saskatchewan was localized in the East, and in Alberta in the region around Calgary.

2/ Precipitation in June was more or less localized in the regions of the stations reported. Average rainfall for the whole wheat zone of Saskatchewan probably did not average more than 3 inches and for Alberta more than 2 inches.

Oriental wheat and flour marketsTokyo

The low value of silver continued to restrict the export demand for Japanese flour, and, during January, the domestic market was also somewhat unsettled, according to cabled reports from Consul General Garrels at Tokyo. Mills had continued active during December but in January production fell below normal and stocks of flour on hand on February 2 had declined below normal.

The price quotations for foreign wheat at Japanese mills on February 2 were lower than the quotations on January 6 with the exception of United States Western White No. 2, which was 1 cent per bushel higher on the later date. Prospects for the sale of American wheat in Japan are somewhat uncertain at the present time due to the lower prices quoted on Canadian and Australian wheat. Argentina and Russia are also beginning to quote prices acceptable to the Japanese market.

The prices at mills on February 2 follow, with prices on January 6 given in parenthesis: United States Western White No. 2, \$1.11 (\$1.10); Canadian No. 5, \$0.96 (\$0.99); Australian \$0.92 (\$1.01) and standard grade domestic wheat \$0.96 (\$1.02) per bushel. Wheat imports during December totalled 1,911,000 bushels, of which 821,000 bushels were from the United States, 475,000 bushels from Canada and 615,000 bushels from Australia.

Tientsin

Both the local and import business in wheat flour at Tientsin were slow during January, due principally to the seasonal inactivity which usually precedes the Chinese New Year and to the prospect that the value of silver will decline further, according to a report from Consul General Gauss at Tientsin. The latter condition would increase the prices of imported flour in local currency and thereby tend to cause an increase in the consumption of native cereals as substitutes for higher priced wheat flour. The production of wheat flour at Tientsin mills remained at a high level during January although it was slightly under the level of the preceding two months. The production during January was 167,250 barrels against 185,000 during December and 113,000 barrels during January, 1930. Stocks of native wheat are sufficient for mill requirements until about March 15 when inland waterways will reopen and additional supplies become available.

The arrivals of wheat flour at Tientsin declined to 157,250 barrels during January compared with 271,000 barrels in December and 365,000 barrels in November. The arrivals during January included 26,000 barrels from the United States, 15,500 from Canada, 27,500 from Japan and 88,250 barrels from Shanghai. Orders for only 40,000 to 50,000 barrels of wheat flour were placed in the United States by Tientsin importers during January.

The average wholesale price of wheat flour, ~~ax~~-warehouse at Tientsin in terms of United States currency per barrel, at the end of January were American \$2.76, Canadian and Japanese \$2.50, Shanghai milled \$2.64 and Tientsin milled \$3.11. These prices compare with \$3.30, \$3.02, \$3.03, \$3.40 and \$3.60 per barrel respectively at the end of December.

The Continental European wheat market situation during January 1/

Wheat market activity continued generally reduced and unsatisfactory during January for the Continent as a whole, though some pick-up in buying was evident in the first part of the month and again at the close. The European trade remains unwilling to buy beyond current requirements with such heavy supplies available in all the overseas countries, and particularly in view of the imminent setting in of large Southern Hemisphere shipments. Uncertainty about the spring movement from Russia and the general maintenance of European import restrictions have also contributed toward preventing a revival of buying interest.

Admitting that there was not much ground for encouragement in the tendency of actual wheat market activity during January, there were, nevertheless, some indications of underlying changes promising eventual development of better buying interest on the Continent. The steady and prolonged decline of overseas shipments has finally become reflected in rapid dwindling of the large stocks of wheat which had accumulated in most European ports, and this in spite of no marked revival of import buying. Reports from the principal importing countries also indicate very low stocks of foreign grain, except possibly in Italy, and domestic supplies are also known to be more reduced than usual at this time of the year, because of the milling quotas and other restrictions on imports in effect in many countries. These developments appear to be at least partially responsible for the tendency toward greater strength in domestic prices of grain in several continental countries during January. There are indications that prices for native grain will continue to be well maintained or strengthen further. The steady dwindling of Russian wheat exports, notwithstanding the maintenance of shipments of other grains, can also be interpreted to mean that the decline in Russian wheat shipments is not entirely due to seasonal causes. Furthermore, the close of January has brought the beginning of a relaxation of European import restrictions in the form of a slight reduction of the milling quota in Germany. Many of these factors are of seasonal character, but they also point to the approach of increased buying activity which the continental deficit seems certain to dictate in coming months.

Developments outside of Europe have also influenced the market in recent weeks, for example, ^{reports} of larger sales to China and India, rains in Argentina, and continued small overseas shipments as well as some indications of stock market recovery, but the extremely large surplus available in overseas countries has far outweighed other considerations as a market factor of basic importance. It will require unusual developments in the supply situation to alter the generally bearish sentiment of the European wheat trade, though continued sporadic revivals of demand are, of course, to be expected.

1/ Prepared by Agricultural Attache' Loyd V. Steere, Berlin, Germany, January 29, supplemented by cable of February 9.

Probably the most significant continental grain market developments in January centered around the fact that a turn in the tendency of port stocks has developed in the latter half of the month, a development which appears to bring with it the beginning of somewhat more active buying by the Continent as a whole. The continued rise of port stocks in recent months has caused curtailment of trade purchases to a minimum and brought about steady reduction in shipments from overseas. These tendencies have progressed to a point where stocks of foreign grain in European countries have been worked to low levels and grain afloat to Europe also materially reduced. The close of the month brought a revival of buying interest, particularly for near positions and spot grain, with the result that port stocks dropped sharply in the last two weeks. Notwithstanding these indications of probable increased import buying activity in the futures, it should be stated that continental trade opinion is rather pessimistic with the approach of heavy marketings from the Southern Hemisphere, and that favorable developments do not attract much attention against the background of burdensome supplies. The policy of the Farm Board as the new crop approaches is already beginning to cause uncertainty, and the fall in silver and the depreciation of the Argentine peso are also regarded unfavorably.

The pressure of actual Russian wheat and possible spring shipments has been considerably lessened by January developments, though what has happened this month should not be taken as definite criteria for the balance of the season. The most important fact has been the rather sudden development of a sharp downward tendency in the stocks of Russian wheat in continental ports, particularly in Holland and Italy. The revival of buying in the first part of the month and at the close applied largely to Russian grain, stocks of which are now reported down to about 2,200,000 bushels in Italian ports and dropping steadily in Holland, notwithstanding some sales difficulties because of unsatisfactory quality necessitating mixture with North American hard wheat. The quality factor has been of influence in the low prices reported for Russian wheat in recent weeks. The sharp decline in Russian Black Sea shipments also foreshadows a steady reduction of Russian stocks in weeks to come. Furthermore, reports do not indicate any significant volume of Russian offers of wheat for spring shipment. Recent reports of offers and charterings appear to refer chiefly to other grains, but another two months must pass before anything definite on spring shipments can be decided.

Price developments on the Continent were not entirely uniform during January, though quotations in most of the importing countries strengthened for the month as a whole, the month closing with indications of a rather general pick-up in buying activity in most of Western Europe, particularly Belgium, Holland, Italy, Scandinavia, and to some extent Germany. German prices, barring a slight recession in the middle of the month, showed a general rising tendency in reflection of the high duty, progressive reduction of stocks, and prospects for some relaxation of the milling quota.

Table 11.- Wheat Domestic price per bushel at certain European market on specified dates, September 1930 to February 1931

Date	Paris	Milan	Berlin	Prague	Vienna	Budapest	Poznan
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Sept. 3, 1930	168	181	162	-	99	73	88
Oct. 9,	173	177	148	105	91	74	80
Nov. 6,	176	168	156	107	88	68	74
Dec. 4,	176	-	163	-	88	68	77
Jan. 8, 1931	178	150	168	113	-	-	-
15,	180	153	165	112	85	66	66
22,	179	153	169	112	87	65	-
29,	180	155	172	112	85	66	-
Feb. 4,	184	156	173	112	84	68	58
Feb. 11,	186	159	174	.	.	.	.

In the Table showing wheat stock figures, given below, it should be noted that there has been a heavy concentration of stocks in the Netherlands for unusual reasons, the most important of which has been the exclusion of Russian wheat from France and Belgium. This fact, together with the restriction on all imports into France and Germany imposed by high tariffs and milling regulations account for the rise in stocks in Holland to the unusual heights of recent months. Rotterdam has been practically the sole concentration point for Russian wheat for the northern half of the Continent with Hamburg holding only very small supplies of any description, because of the German milling quota. Italy has also had a large accumulation of Russian grain.

Table 12.- Continental European stocks of wheat the middle of December 1929 and 1930 and January 1930 and 1931

Location	1929-30		1930-31	
	Middle of Dec.	Middle of Jan.	Middle of Dec.	Middle of Jan.
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Antwerp (visible)	2,350	1,540	2,200	1,250
Rotterdam and Amsterdam...	1,350	1,400	8,820	9,370
Germany (farm stocks)	60,500	51,300	63,900	50,100
Berlin (wheat and flour)... ^{1/}	1,360	^{2/} 1,499	^{1/} 1,800	^{2/} 1,870
Hamburg (rough estimate)...	830		440	625
Bremen and Bracke	59	37	12	2
Various Italian Ports ^{3/} ...	--	^{4/} 1,837	--	4,806

^{1/} End of December.

^{2/} End of January.

^{3/} Genoa, Naples, Leghorn and Venice.

^{4/} Rough estimate, Berlin office.

Germany.

January developments in Germany appear to have brought a slight turn for the better in wheat import prospects. There was no material pick-up in actual buying, but domestic wheat prices developed a firmer tendency and it has been announced at the close of the month that the compulsory milling quota for domestic wheat will be reduced from 80 per cent to 75 per cent in February and March. The future outlook has also acquired more certainty by the setting of a quota, at least tentatively, of 65 per cent for April and May and 50 per cent for June and July. These changes point definitely toward increased imports of wheat during the balance of the season, although the high import duty may tend to prevent full utilization of the quota.

Domestic wheat prices fluctuated considerably during the first part of January but picked up steadily in the second half of the month and are now standing somewhat above the \$1.69 per bushel level mentioned in the tariff revision law of April 15, 1930, as the Government's idea of the average year's price to be aimed at. The rise of wheat prices to this level has aroused some expectations of a reduction in the duty on wheat, but these do not appear to be justified, as a considerable further rise would be necessary to offset the lower prices which prevailed during the earlier months of the season. The current firmer tendency of domestic prices, however, seems indicative of a reduction in domestic supplies to a point where prices are more responsive to offer and demand, and doubtless also reflects the reduction of stocks in the hands of the trade. It appears likely that some further upward movement in domestic grain prices will continue, though a sharp or prolonged rise would doubtless lead sooner or later to a reduction in import duties.

Table 13.- Domestic wheat and rye: Price per bushel in Germany,
December, 1930 - February, 1931

Date	Wheat			Rye	
	Hamburg 1/	Breslau 2/	Berlin 3/	Berlin 4/	
	Cents	Cents	Cents	Cents	
Dec. 3, 1930	170	161	163	96	
10	165	159	157	95	
23	165	158	160	94	
31	168	161	162	95	
Jan. 7, 1931	175	167	168	95	
14	173	165	164	92	
21	172	167	167	94	
28	178	170	172	96	
Feb. 4	178	170	173	94	
11			174		

- 1/ Wheat of any German district of at least 58.7 pounds per Winchester bushel.
- 2/ Wheat of any German district of at least 58.7 pounds per Winchester bushel in carloads of 370 bushels.
- 3/ "Markischer" wheat of 58.3 to 59.0 pounds per Winchester bushel.
- 4/ "Markischer" rye of 54.4 to 55.2 pounds per Winchester bushel.

The statistical position with regard to wheat in Germany now appears to be somewhat more favorable than a year ago at this time. Stocks of both foreign and domestic wheat in trade channels and at the mills are reported low, and stocks on farms are now about equal to those last year, although the 1930 crop exceeded that of 1929 by 16 million bushels. The figures indicate that the movement of grain from the farms up to the middle of December exceeded that of last year by 13 million bushels, whereas imports in the six months ending December have been 18 million bushels less than in the corresponding period of last year. The net movement into consumptive channels from the farms and in the form of imports in the first half of the season, therefore, has been only about 5 million bushels below the corresponding figure for last year. As stocks in trade hands are fully as low and probably lower than a year ago, there does not appear to have been a marked reduction in the consumption of wheat, notwithstanding the numerous measures aiming to encourage the substitution of rye for wheat and the widespread belief that wheat consumption has been materially affected. It is true, of course, that the greatest effect of the various measures that have been adopted has been in the past two or three months, so that more influence may appear in the second half of the year. In the light of these circumstances, market prospects for domestic wheat appear very favorable for the balance of the season and foreign wheat promises to encounter increasing demand as the season progresses.

Table 14.- Farm stocks: Wheat and rye on farms in Germany,
September 15-January 15, 1929-30 and 1930-31

Grain and date	: Total stocks		: Available for sale		: To be kept	
	: 1929-30	: 1930-31	: 1929-30	: 1930-31	: 1929-30	: 1930-31
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
Winter wheat:	: bushels	: bushels	: bushels	: bushels	: bushels	: bushels
Sent. 15	93,400:	97,300:	76,500:	80,400:	16,900:	16,900
Oct. 15	75,400:	78,600:	60,800:	63,800:	14,600:	14,800
Nov. 15	64,500:	66,300:	52,600:	53,900:	11,900:	12,400
Dec. 15	52,800:	55,300:	42,300:	44,500:	10,500:	10,800
Jan. 15	44,500:	42,400:	36,300:	33,200:	8,200:	9,200
Spring wheat:	:	:	:	:	:	:
Sent. 15	9,700:	11,200:	8,500:	10,000:	1,200:	1,200
Oct. 15	9,000:	10,200:	7,700:	8,400:	1,300:	1,800
Nov. 15	8,400:	9,400:	6,900:	7,500:	1,500:	1,900
Dec. 15	7,600:	8,800:	6,200:	6,700:	1,400:	1,900
Jan. 15	6,800:	7,700:	5,400:	6,000:	1,400:	1,700
Winter rye:	:	:	:	:	:	:
Sent. 15	274,800:	254,700:	176,200:	157,600:	98,600:	97,100
Oct. 15	229,500:	213,400:	135,700:	119,900:	93,800:	93,500
Nov. 15	205,400:	189,500:	116,000:	104,900:	89,400:	84,600
Dec. 15	174,700:	159,600:	97,300:	85,200:	77,400:	74,400
Jan. 15	152,500:	132,100:	85,300:	68,500:	67,200:	63,600

Based on the percentage estimates of the German Agricultural Council and the latest official estimates of the crop.

German net imports of wheat in December reached the lowest figure for any month in about 5 years, or only 1,000,000 bushels compared with 1,457,000 bushels in November and 5,907,000 bushels in December a year ago. Total net imports from July 1 to December 31, 1930, therefore amounted to 17,000,000 bushels as compared with 35,000,000 bushels in the corresponding period last year.

The rye situation must be regarded as materially more encouraging than a year ago, and tending toward further improvement even though prices remain very low. Farm stocks of 1930 grain are now 15,000,000 bushels below last year, some 2,400,000 to 2,800,000 bushels are being disposed of each month as "cosinized" feed grain, and the winter sown acreage has been reduced this year by 9.6 per cent. Increased substitution of rye for wheat is also going on. On the other hand, the large carry-over from last year (not included in the farm stock figures) has not all been disposed of, and no relief by exportation is possible with the "Einfuhrscheine" out of operation. Nevertheless, stocks will be much reduced by the end of the season.

France

No material change in conditions in the French wheat market has been reported during January. Probably the most important development was the proposal for the setting up of a Government grain marketing organization to influence domestic grain market prices made by the Ministry of Agriculture of the recent Steeg cabinet. The Minister of Agriculture, Borot, announced the intention of bringing domestic prices of wheat up to \$1.87 per bushel, (when current prices were around \$1.79 per bushel), notwithstanding the fact that the price level in France was already higher than in any other continental country. The last half of the month has been characterized by continued small farm deliveries and general lack of interest on the part of the wheat trade. The trade continues to complain about the quality of domestic grain available, but there is still no indication of an approaching modification of the official milling regulations which now permit the milling of only 10 per cent foreign wheat. Until this step is taken, there can be no significant improvement in French demand for foreign grain.

Since the fall of the Steeg cabinet there has been no indication of the position of the new Government toward the proposal for an organization to operate in the grain market. It appears that plans for higher protection of domestic grain producers are meeting with strong opposition from all sides, particularly from industrial interests in France, who are opposed to any measures tending to increase the cost of living. M. Tardieu is the new Minister for Agriculture in the present cabinet, the life of which is regarded as quite uncertain.

The French winter wheat crop has had an unusually bad start this year, with reports continuing to indicate that seedings will fall below last year's acreage and many fields in a condition necessitating re-sowing in the spring. Cold, dry weather is urgently required. January has been a month of considerable rain in many parts of France, though better weather is reported at the close.

Italy

Italian wheat markets were quiet at the beginning of January, but toward the middle of the month the long expected revival of demand appeared and extensive buying of foreign wheat set in, particularly in near positions. The large stocks of unsold wheat, particularly of Russian descriptions, which had accumulated in Italian ports in December, have been steadily reduced in January.

Stocks of unsold foreign wheat in Italian ports

	<u>Jan. 3</u>	<u>Jan. 10</u>	<u>Jan. 17</u>	<u>Jan. 31</u>
	<u>1,000 bu.</u>	<u>1,000 bu.</u>	<u>1,000 bu.</u>	<u>1,000 bu.</u>
Total wheat	6,217	5,530	4,806	4,145
Russian wheat	3,759	3,557	1/ 2,400	1/ 2,200

1/ Approximation.

Holland and Belgium

Dutch wheat markets had moderate business activity during the first half of January, followed by some improvement in the last half, with sales running largely to Russian wheat. Port stocks at Rotterdam and Amsterdam, which have reached unusually high levels, rose to a peak figure of 9,600,000 bushels on January 10, but since the revival of business have diminished to 7,700,000 bushels on January 26. With Belgium excluding imports of Russian wheat and Germany taking its small requirements of foreign wheat largely in Manitobas, these large stocks of Russian wheat in Dutch ports have constituted no small weight on continental wheat markets.

No definite action has been taken yet on the proposed milling quota in Holland. The first Chamber has appointed a committee to study the question of compulsory milling of domestic wheat and awaits its report. Doubts are expressed in various quarters that sufficient domestic wheat is available even for a quota of only 10 per cent.

Belgian wheat markets have been relatively active during the latter part of January. There has been considerable demand by Belgian millers, particularly for hard winter and Danubian wheat. Belgian millers are accustomed to mix hard winter and Danube wheats, and considerable quantities of these varieties were bought at premium, some of it from Rotterdam.

Austria

Austrian wheat markets were rather quiet during most of January, with prices of wheat on practically the same level throughout the whole period. Some buying of Russian wheat has been reported recently, at attractive prices via Hamburg. Business in domestic flour is quiet at unchanged prices.

Winter seedings are in satisfactory condition, according to official reports. Condition of winter wheat is somewhat irregular but winter rye stands almost too thickly.

Table 15.- Spot price per bushel, Boden wheat at Vienna, specified dates.

Year	: Oct. 31 :	: Nov. 28 :	: Dec. 30 :	: Jan. 9 :	: Jan. 15 :	: Jan. 21 :	: Jan. 29 :	: Feb. 4 :
	: Cents :	: Cents :	: Cents :	: Cents :	: Cents :	: Cents :	: Cents :	: Cents :
1930-31	: 91 :	: 88 :	: 87 :	: 86 :	: 85 :	: 85 :	: 85 :	: 84 :

Czechoslovakia

January wheat markets in Czechoslovakia showed no material change. In the first half of the month business was very restricted despite increased offerings, as millers were not active. Later in the month some improvement developed but this was only of short duration and activity is again very limited. The rye market has improved somewhat recently.

It appears from recent reports that importers and flour mills bought foreign wheat considerably in excess of current requirements prior to the middle of December when the new import duty went into effect. Imports of foreign wheat during the last three months were about three times the imports in the corresponding period of 1929. Large stocks of foreign wheat have thus been accumulated and mills are said to have covered their requirements in foreign wheat for some time ahead.

Poland

The wheat market in Poland continues depressed as a result of the excessive supplies from the large 1930 crop, according to recent reports. Inland demand leaves much to be desired, and wheat exports have also been falling off, declining from 708,000 bushels in November to 331,000 bushels in December. Rye exports dropped from 925,000 to 689,000 bushels and barley from 684,000 to 592,000 bushels in the same months.

Soviet Russia

Shipments of wheat from Russia slackened steadily during December and have dropped to low levels during the first three weeks of January. Total grain shipments through Black Sea ports from the beginning of the campaign to January 21 have amounted to 3,502,000 short tons, distributed as follows:

Grain	July 1-Jan.21 1,000 bushels	Jan. 1-21 1,000 bushels	Jan. 22-28 1,000 bushels	Jan. 29-Feb.4 1,000 bushels
Wheat	74,295	1,286	257	1,396
Barley	37,524	3,169		
Rye	8,661	1,102		
Oats	5,443	1,722		
Corn	1,535	709		

It is of interest to note that since the first of the new year the share of wheat in total shipments has declined sharply, with barley again ranking first in importance, while shipments of oats and corn, as well as rye, have also been somewhat larger than during the previous weeks.

Despite press reports of the imminent resumption of large Russian grain exports, there has been no reliable indication that the Russians will launch out again with large exports this spring. A statement made by a Russian official that "the increase in procurings permits not only the covering of the necessary domestic requirements, but also enables the re-building of grain exports in sufficiently large quantities" is extremely vague, and does not indicate the period of time it applies to; it is entirely possible that the "re-building of grain exports" mentioned applies to the current campaign as a whole and does not announce additional large quantities of grain yet to be shipped this year, as part of the foreign press interpreted it. Nevertheless, some picking up of wheat exports may occur later in the season, when the crop outlook for winter grains becomes clear, and a continuation of barley, rye and oats shipments, is also likely.

Renewed charterings were reported during the second half of January, but as yet the total quantity of tonnage booked seems to be rather insignificant but recently more active chartering for February and March is reported. With the accumulated stocks of Russian wheat at European ports now reported as dwindling rapidly, there will probably be more incentive to resume wheat shipments from Russia if it is available.

The 1930-31 procuring campaign.

The current procuring campaign is now approaching its end, with total procurings to January 15 reported as 91 per cent of the plan, which called for completion by, December 15. Failure to accomplish the plan may interfere somewhat with the plans calling for concentration of all forces on preparations for the spring sowing campaign. In spite of this protraction of the campaign, however, the quantitative results are reported very favorable, total procurings to January 1 having been reported as 45.8 per cent above those of last year, with wheat alone increased 81.3 per cent. The great increase in wheat procurings, coupled with the large increase in rye procurings (48.6 per cent) means a rise of bread grain procurings of 67.6 per cent, so that procurings of bread grains exceeded the highest post-war procuring figure registered in 1926-27.

Conditions of winter crops

Winter weather conditions throughout the Union as a whole, although not particularly unfavorable, may have some unfavorable effect on winter crops in parts of the country where the snow-cover at the beginning of January was reported light and temperatures low; later reports indicate that the snow-cover apparently continued light throughout January in the southeastern section of European Russia, particularly in the extreme south and with severe cold almost everywhere during the last ten days of the month. There are also some indications of relative dryness in southeastern sections of the Union, but nothing definite is as yet available.

A press report just received indicates the signing of an agreement by the Soviet Trade Delegation and Italian firms, under which Soviet Russia will export wheat flour to Italy to be used by some of the macaroni mills. This applies to Russian durum wheat. Before the war Italy always covered at least part of her requirements from Russian sources and it is now also reported that efforts are being made by the Russians to supply total Italian requirements of wheat flour for macaroni production.

The relation between wheat and bread prices

There has been recently a considerable amount of discussion about why the price of bread is as high as it is. Many people have complained that, although prices of wheat and flour have fallen drastically, there has been little decline in the price of bread. Statistics of wholesale prices of wheat and flour and of retail prices of bread are consequently of interest in showing a comparison between the price movements of wheat, flour and bread during recent years. There is evidence to indicate that bread prices in most cities of the country do not respond readily to changes in wheat and flour prices, but are largely affected by custom, inertia, and other things which prevent their quick adjustment to changes in cost.

In the past year, the price of wheat has declined drastically; the average price of all classes and grades at 6 principal markets in the United States falling from the level of 122 cents per bushel in January, 1930 to 72 cents for January, 1931, a decline of over 40 per cent. Mean-

while, however, the average retail price of bread in the United States, as reported by the Bureau of Labor Statistics, has declined from 8.9 cents per pound to 8.2 cents, a drop of less than 8 per cent. A similar comparison of prices a few months earlier is still more striking. In August, 1929 the average price of wheat was 126 cents per bushel, and in August of 1930 it was only 85 cents, a decline of over 32 per cent, while during the same period the average retail price of bread declined from 9 cents per pound loaf to 8.7 cents, a decrease of only a little over 3 per cent. Using yearly averages, we find that from 1926 to 1930 the price of wheat declined 38.0 per cent, while the retail price of bread declined only 7.4 per cent - wheat having declined 56 cents per bushel from an average of 143 to an average of 92 cents per bushel, while bread declined seven-tenths of a cent per pound from 9.4 cents to 8.7 cents.

To many people a decline of 38.0 per cent in the price of wheat without as great a percentage decline in the price of bread may appear to be an unwarranted situation. However, a little simple calculating will show that a drop of 56 cents per bushel in the price of wheat does not in itself make so much difference in the baker's cost as might at first be supposed. If the entire decrease in the price of wheat is passed on to the baker in the form of lower flour prices, it amounts to a little less than 1 cent per loaf in the baker's cost. There are of course, other costs involved, and changes in those may justify greater or less declines than would result from declining wheat and flour prices.

Bread making formulae, as well as bread produced by bakers, vary a great deal. However, it is usual for bakers to obtain about 285 one-pound loaves of bread from a barrel of flour together with all the other necessary ingredients. Also, it takes about 4.6 bushels of cleaned wheat to produce one barrel of flour. Consequently, one bushel of wheat will provide enough flour for about 62 loaves of bread. If, then, wheat were to drop 62 cents per bushel, and all this decline in the price of wheat were reflected in lower flour prices to the baker, this would make a difference of 1 cent per

pound loaf of bread in his costs. A drop of 56 cents per bushel in the price of wheat, if passed on to the baker, would amount to just about nine-tenths of a cent per loaf of bread in his baking costs.

Between the time when wheat is sold at the terminal markets and the time when a part of it appears in bread on the grocers' shelves, there is not only the baking and delivering of the bread to be taken account of, but also the milling and marketing of flour. The accompanying Table 16 compares the price of wheat with the price of bread, and with the price of flour at wholesale and at retail. The comparison is made between one bushel of wheat, 42.6 pounds of flour, and 62 pounds of bread. These quantities of flour and bread are used to indicate roughly the amount of flour and bread which can be made from one bushel of wheat. It should be noted, however, that the flour price quotations given are for high grade flours, and that something less than 42.6 pounds of high grade flour can be made from a bushel of wheat. Also it is not universally true that 62 pounds of bread is made from 42.6 pounds of flour. Bread formulas and methods of baking vary; some bakers obtaining larger amounts of bread from a barrel of flour than others. Then too, there has been an increase during the past fifteen or twenty years in the number of pound loaves of bread which are obtained from a barrel of flour. Nevertheless, the Table serves to give us a rough comparison of changes in the price of comparable quantities of wheat, flour and bread. Flour prices, like bread prices, show an increase in the spread between their price and the price of wheat from which the product is made. However, the price of flour, especially at wholesale, bears a much closer relationship to changes in wheat prices than does the price of flour or bread at retail. This is in accord with the usual tendency for retail prices to adjust themselves slowly to changes in wholesale prices.

In 1913, 42.6 pounds of standard patent flour at Minneapolis was quoted at only 12 cents higher than the price of a bushel of No. 1 Northern Spring wheat, and in 1930 it was 20 cents more. Similarly, at Kansas City a like quantity of patent flour (as reported by the Bureau of Labor Statistics) was quoted at 2 cents more than a bushel of wheat, while in 1930 it averaged 21 cents more. On the other hand, the average retail price of 62 pounds of bread in the United States was, in 1913, \$2.47 higher than 42.6 pounds of standard patent spring wheat flour at Minneapolis, while in 1930 it was \$4.17 higher. Making a similar comparison with Kansas City flour prices, the United States average retail price of 62 pounds of bread was \$2.60 higher in 1913 and \$4.19 higher in 1930 than the average price of 42.6 pounds of patent flour at Kansas City.

In connection with this comparison it should be borne in mind that a bushel of wheat yields other mill products in addition to about 42.6 pounds of flour, and that 62 pounds of bread require the use of materials other than flour in its making. The spread between the price of wheat and the price of flour made from it, does not represent the total amount which consumers pay for milling of that wheat. Rather, that spread plus the return to the miller for flour and for the various by-products such as bran, shorts, etc. represent the total cost to consumers, for milling wheat into

Table 16- Prices of Wheat, Flour, and Bread in the United States 1913, to date

Year	Wheat, per bushel 1/		Flour per 42.6 lbs. 2/		Bread per	
	Wholesale		Wholesale		Retail: 62 lbs. 3/	
	Kansas City	Minneapolis	Minneapolis	U.S.	U.S.	
	No. 2 Hard	No. 1 North- ern Spring	Kansas City Patents	Standard Patents	Aver- age	U.S. Average
	Cents	Cents	Cents	Cents	Cents	Cents
1913	85	88	87	100	141	347
1914	93	101	95	111	145	391
1915	129	131	127	145	179	434
1916	134	144	138	158	187	453
1917	230	231	238	248	298	570
1918	215	219	-	-	285	608
1919	239	257	255	239	307	620
1920	244	260	272	276	345	713
1921	133	154	168	181	247	614
1922	119	136	149	158	217	539
1923	110	121	134	139	200	539
1924	121	132	148	156	209	546
1925	165	165	185	192	260	583
1926	149	158	175	183	256	583
1927	135	139	161	162	234	577
1928	127	132	154	157	230	564
1929	117	127	142	148	217	558
1930	99	102	120	122	200	539
1930						
Jan.	119	131	144	147	217	552
Feb.	113	125	139	139	217	546
Mar.	102	115	128	135	213	546
Apr.	101	114	131	132	209	546
May	99	110	129	130	204	546
June	89	105	124	127	204	546
July	80	96	116	120	196	546
Aug.	81	92	114	116	192	539
Sept.	78	87	107	110	187	539
Oct.	74	83	106	108	183	533
Nov.	69	75	102	102	179	527
Dec.	71	77	104	106	175	527

Division of Statistical and Historical Research.

- 1/ Wheat prices are from monthly weighted averages of reported carlot sales.
Calendar year averages are simple averages of the monthly weighted average price.
- 2/ On the average about 42.6 lbs of flour is made from one bushel of wheat. Prices given are converted from quotations per bbl. in wholesale price bulletins of the Bureau of Labor Statistics and represent flour of high quality.
- 3/ The flour from 1 bushel of wheat is sufficient for about 62 lbs of bread under average conditions.

flour and other products. The spread between the price of flour and the price of bread at retail, on the other hand, represents less than the total cost to consumers of the process of baking and marketing bread, for in addition to flour, other materials are used. Then too, it should be remembered that the net cost of flour to the baker is not the same as the price of that flour quoted at the mill. In addition to the mill price, the baker must pay transportation and oftentimes wholesale and jobbing charges. The total cost to consumers for the baking and distributing of bread is equal to the difference between the price which the baker pays for the flour he uses and that which he gets for the bread minus whatever he pays for all the other necessary materials, such as milk, yeast, sugar, etc.

In 1913, when the United States average price of bread was 5.6 cents per pound loaf, 62 pounds of bread cost about \$3.47. Meanwhile a bushel of good quality spring wheat at Minneapolis cost about 88 cents. Roughly speaking, the amount of bread which required one bushel of wheat in its production cost about \$2.60 more than the wheat necessary to make it. Even before the advent of the war this spread was increased. As shown by the accompanying Figure, from 1914 to about the middle of 1917 the retail price of 62 pounds of bread was about \$3.00 more than the wholesale price of a bushel of good quality wheat at Minneapolis. After the middle of 1917, however, the spread widened still more, so that in recent years, the retail price of bread has been about \$4.25 more than the Minneapolis price of the wheat necessary to make flour for the bread.

The widening of the spread between wheat and flour prices, and between flour and bread prices during the war is associated with increases in wages, rents, and other costs and is related to the higher price level which has been maintained since the war. One of the items of importance would be increased freight rates on flour. Presumably, higher wage rates are largely responsible, but the possibility of increased costs due to the development of "service competition" and "advertising competition" in place of "price competition" should not be lost sight of. It is not the purpose here, however, to analyze all the factors which affect the price of bread, or the costs of milling, baking and marketing flour and bread.

An examination of the attached Figure showing comparative prices of bread from 1913 through 1930 indicates that, in spite of this increased spread between the two, there is a marked tendency for wheat and bread prices to go up and down together. Bread prices, however, tend to lag behind the price of wheat reaching their peak later, and declining longer and somewhat more slowly than wheat prices. In general, then, the Figure suggests a fairly close correspondence in the changes of wheat and bread prices, although bread prices appear to be slow to change in response to reductions in the cost of wheat.

If, however, in considering bread prices, we look at the price in some individual cities instead of the average retail price for the country as a whole, we see further evidence to indicate to us that bread prices are greatly influenced by factors other than the price of wheat. Save in the broadest outlines of their movements, there is little in the bread price changes of many individual cities to suggest that they depend much upon wheat prices or upon the price of bread in other cities. Monthly average prices of bread, as reported by the Bureau of Labor Statistics, for four different cities are shown in an accompanying Figure. The difference between the average level of prices in different cities and the differences in their movements up and down is striking. It will be seen that at the close of 1930 the price of bread in Denver averaged more than three cents per pound under that of Springfield, Illinois, and the price in Indianapolis, Indiana, was almost as much below Springfield as was that in Denver, indicating that the difference between the cities is not due primarily to a difference in geographical location. Of the four cities shown, New York was the only one in which there was a marked decline in bread prices from 1927 to 1928. In 1923, during the period when the price at Denver was declining considerably, the price in Springfield rose approximately one cent per pound. Early in 1922 there was a marked but temporary drop in New York prices, whereas late in the same year, there was a similar marked and temporary decline in the price of bread at Indianapolis.

The question may, of course, be raised concerning the comparability of the various bread price data, both as between the different cities at the present time and as between the quality of bread in 1930 as compared with its quality in 1913. It certainly is to be recognized that bread today is a somewhat different commodity than it was before the war. Wrapping of bread is more nearly universal than it was then, and there has been some improvement in the quality of the bread itself. Despite these uncertainties as to the accuracies of the comparisons of bread prices, changes in prices in the individual cities certainly suggest that in any given city the price of bread is likely to be quite as dependent upon price wars and other factors pertaining to the status of competition in the individual cities, as it is dependent upon the price of wheat or of flour.

Table 17. Average retail price per pound of bread in specified cities, by months, 1927-1930 and January 1931

Year and month	Boston	New York	Philadelphia	Washington	Chicago	St. Louis	Denver	San Francisco	Springfield, Ill.	Indianapolis
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1927	8.6	9.7	9.4	9.1	9.9	9.9	8.0	9.5	10.3	8.1
Jan.	9.0	9.6	9.5	9.0	9.9	9.8	8.1	9.7	10.1	8.1
Feb.	8.9	9.7	9.5	9.0	9.9	9.8	8.1	9.6	10.1	8.1
Mar.	8.8	9.7	9.4	9.1	9.9	9.9	8.1	9.6	10.1	8.1
Apr.	8.6	9.6	9.4	9.1	9.9	9.9	8.1	9.6	10.1	8.1
May	8.6	9.7	9.4	9.1	9.9	9.9	8.1	9.5	10.4	8.1
June	8.5	9.7	9.4	9.0	9.9	9.9	8.1	9.5	10.4	8.1
July	8.5	9.7	9.4	9.0	9.9	9.9	7.9	9.5	10.3	8.1
Aug.	8.5	9.7	9.4	9.1	9.9	9.9	8.0	9.5	10.3	8.1
Sept.	8.5	9.7	9.4	9.1	9.9	9.9	8.0	9.5	10.3	8.1
Oct.	8.5	9.7	9.4	9.1	9.9	9.9	8.0	9.5	10.3	8.1
Nov.	8.5	9.6	9.4	9.1	9.9	9.9	8.0	9.5	10.3	8.1
Dec.	8.6	9.6	9.4	9.1	9.9	9.9	8.0	9.5	10.3	8.1
1928	8.6	8.8	9.0	8.9	9.7	9.6	8.0	9.4	10.2	7.9
Jan.	8.6	9.1	9.4	9.0	9.6	9.8	8.3	9.5	10.3	8.0
Feb.	8.6	9.1	9.4	9.0	9.6	9.8	8.2	9.5	10.3	8.0
Mar.	8.6	8.8	9.4	8.9	9.6	9.8	8.1	9.5	10.2	8.0
Apr.	8.6	8.8	9.3	8.9	9.6	9.6	8.2	9.5	10.2	7.9
May	8.6	8.8	9.3	8.9	9.6	9.6	8.1	9.5	10.2	7.9
June	8.6	8.8	9.3	8.9	9.6	9.6	8.0	9.5	10.2	7.9
July	8.6	8.7	9.2	8.9	9.6	9.6	8.1	9.5	10.2	7.9
Aug.	8.6	8.7	9.1	8.9	9.9	9.5	8.1	9.5	10.2	7.9
Sept.	8.6	8.7	8.6	8.9	9.9	9.4	7.9	9.8	10.2	7.9
Oct.	8.6	8.6	8.6	8.9	9.9	9.4	7.7	9.1	10.2	7.9
Nov.	8.6	8.6	8.3	8.9	9.9	9.4	7.7	9.1	10.0	7.9
Dec.	8.6	8.6	8.4	8.9	9.9	9.4	7.7	9.1	10.1	7.9
1929	8.7	8.6	8.3	8.9	9.8	9.2	7.6	9.3	10.1	8.0
Jan.	8.5	8.7	8.3	8.9	9.9	9.4	7.6	9.3	10.1	7.9
Feb.	8.5	8.6	8.3	8.9	9.9	9.3	7.6	9.3	10.1	7.9
Mar.	8.6	8.6	8.3	8.9	9.9	9.3	7.6	9.3	10.1	7.9
Apr.	8.7	8.6	8.3	8.9	9.9	9.3	7.6	9.3	10.1	7.9
May	8.7	8.6	8.3	8.9	9.9	9.3	7.6	9.3	10.1	7.9
June	8.7	8.6	8.2	8.9	9.9	9.2	7.6	9.3	10.1	8.0
July	8.7	8.6	8.2	8.9	9.9	9.2	7.6	9.3	10.1	8.0
Aug.	8.7	8.7	8.2	8.9	9.9	9.2	7.6	9.3	10.1	8.0
Sept.	8.8	8.7	8.3	8.9	9.7	9.1	7.6	9.3	10.1	8.0
Oct.	8.8	8.7	8.3	8.9	9.7	9.1	7.6	9.3	10.1	8.0
Nov.	8.8	8.7	8.3	8.9	9.7	9.1	7.6	9.3	10.1	8.0
Dec.	8.8	8.6	8.3	8.9	9.7	9.0	7.7	9.3	10.1	8.0
1930	8.8	8.6	8.1	8.9	9.3	8.8	7.4	9.2	10.2	7.8
Jan.	8.8	8.6	8.3	8.9	9.4	9.0	7.6	9.2	10.3	8.0
Feb.	8.8	8.6	8.3	8.9	9.4	9.0	7.7	9.2	10.3	8.0
Mar.	8.8	8.6	8.3	8.9	9.4	8.9	7.6	9.2	10.3	8.0
Apr.	8.8	8.7	8.3	8.9	9.4	8.9	7.6	9.2	10.3	8.0
May	8.8	8.7	8.2	8.9	9.4	8.9	7.6	9.2	10.3	8.0
June	8.8	8.7	8.2	8.9	9.4	8.9	7.6	9.2	10.3	8.0
July	8.8	8.7	8.2	8.9	9.4	8.9	7.6	9.2	10.3	8.0
Aug.	8.8	8.6	8.0	8.9	9.4	8.8	7.6	9.2	10.1	7.7
Sept.	8.8	8.6	8.0	8.9	9.4	8.7	7.5	9.2	10.2	7.6
Oct.	8.6	8.5	8.0	8.9	9.2	8.7	7.2	9.2	10.2	7.5
Nov.	8.6	8.5	8.0	8.9	9.1	8.4	7.0	9.2	10.2	7.5
Dec.	8.6	8.5	7.9	8.9	9.1	8.4	6.8	9.2	10.1	6.8
1931 Jan.	8.6	8.0	7.5	8.6	9.0	8.1	6.8	9.0	9.6	6.7

Table 18.- Wheat including flour: Exports from principal exporting countries, December, July-December, 1929 and 1930, and January 1930 and 1931.

Country	Dec.		July-Dec.		Jan.	
	1929	1930	1929	1930	1930	1931 1/
	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels
United States	12,428	6,906	92,195	88,103	14,073	3,416
Canada	18,683	24,940	110,220	167,586	7,257	9,928
Argentina	12,712	1/ 4,964	97,930	1/ 24,376	12,721	9,264
British India	292	1/ 40	2,696	1/ 5,632	449	72
Australia	4,485	1/ 10,320	22,861	1/ 38,868	6,598	17,716
Russia 1/	0	11,944	0	71,432	256	1,536
Danube & Bulgaria 1/	2,680	1,552	14,488	10,990	680	152
Total	51,280	60,666	340,390	406,987	42,034	42,084

Compiled from official and trade sources 1/ Preliminary.

Table 19.- Wheat including flour: Net imports into European importing countries, years 1928-29, 1929-30 and July 1-latest date, 1930-31

Country	1928-29; 1929-30		Prelim.: Estimate		Net imports reported	
	1928-29	1929-30	1930-31	July 1 to	1929-30	1930-31
	Million	Million	Million		Million	Million
	bushels	bushels	bushels		bushels	bushels
United Kingdom	204	202	200-210	Nov. 30	103	100
Italy	90	43	80- 90	Nov. 30	12	32
Germany	68	60	40- 50	Dec. 31	35	17
France	51	20	65- 65	Nov. 30	23	12
Belgium	41	43	40- 45	Nov. 30	19	20
Netherlands	29	30	30- 32	Dec. 31	16	19
Czechoslovakia	17	14	13- 15	Nov. 30	5	10
Greece	22	22	21- 23	Nov. 30	8	10
Irish Free State ...	18	17		Oct. 31	7	7
Austria	15	18	13- 18	Nov. 30	7	5
Switzerland	15	17	13- 17	Dec. 31	10	10
Sweden	3	7	3- 7	Dec. 31	4	4
Norway	9	7	7- 8	Dec. 31	4	5
Denmark	17	8	9- 11	Dec. 31	4	5
Finland	6	5	5- 6	Dec. 31	4	3
Poland	4	1/3/ 0		Dec. 31	1/	5/ 2
Spain	2/ (15)	4	5- 10	Nov. 30	4	1/3/
Portugal	2/ (8)	6	2- 3	Nov. 30	3	1
Estonia	1	1	1- 2	Nov. 30	1	1
Latvia	2	2	2- 3	Nov. 30	1	1
Total	640	527			271	261

1/ Less than 500,000 bushels. 2/ Unofficial. 3/ Net export.

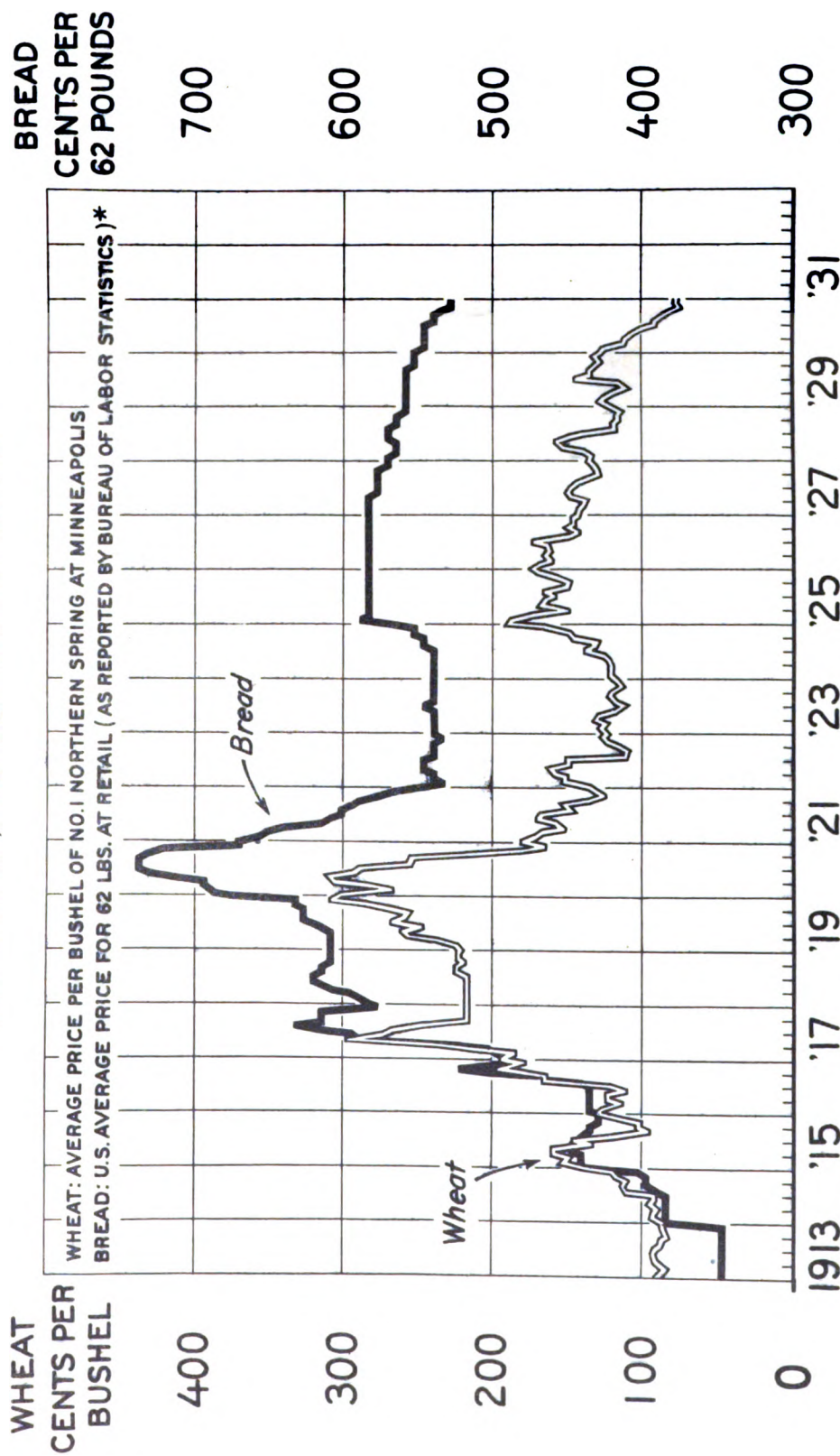
Table 20.- Wheat, including flour: Shipments from principal exporting countries

Country	: Total shipments :		Shipments, weeks :		: Total shipments or :		
	: or exports :		ended :		: exports from July 1 :		
	: 1928-29:1929-30:Feb. 7 :		Feb. 14:Feb. 21 :		: 1929-30:1930-31 :		
	: 1,000 : 1,000 : 1,000 :		1,000 : 1,000 : 1,000 :		: 1,000 : 1,000 : 1,000 :		
	: bushels: bushels: bushels:		bushels: bushels: bushels:		: bushels: bushels: bushels:		
	: : :		: : :		: : :		
North America 1/	499,942:	301,342:	5,255:	6,694:	5,325:	197,163:	241,677
Canada, 4 markets 2/...	458,649:	193,380:	1,979:	2,193:	1,109:	131,280:	194,003
United States	163,687:	153,316:	542:	577:	508:	112,290:	95,459
Argentina	227,059:	161,265:	3,604:	4,392:	4,293:	119,007:	45,929
Australia	107,785:	61,892:	4,516:	4,000:	4,608:	35,371:	69,712
Russia	8:	5,672:	1,392:	2,032:	1,896:	2,179:	78,916
Danube & Bulgaria 3/...	33,975:	57,892:	88:	160:	0:	15,552:	11,120
British India	4/5,687:	4,957:	0:	0:	24:	3,145:	5,728
Total 5/	874,456:	593,020:	14,855:	17,278:	16,146:	372,417:	453,082
Total European ship. 6/...	705,396:	490,488:	10,528:	---	---	302,120:	372,152
Total ex-European	:	:	:	:	:	:	:
shipments 6/	220,654:	141,904:	4,243:	---	---	90,476:	91,400
	:	:	:	:	:	:	:

Compiled from official and trade sources. The figures for the periods July 1 to date (are largely from trade sources and) are comparable with each other, but not in all cases with figures of crop year totals (in the first two columns) which are from official sources wherever possible.

1/ Bradstreet's, weeks ending Thursday, including flour converted at 4.5 bushels per barrel. 2/ Fort William, Port Arthur, Vancouver and Prince Rupert. 3/ Hungary, Yugoslavia, Rumania and Bulgaria, Black Sea shipments only. 4/ Net imports for year 1928-29 were 21,861,000 bushels, 1929-30 figures not yet available. 5/ Total of trade figures include North America as reported by Bradstreet's. 6/ Total as reported by Broomhall's Corn Trade News.

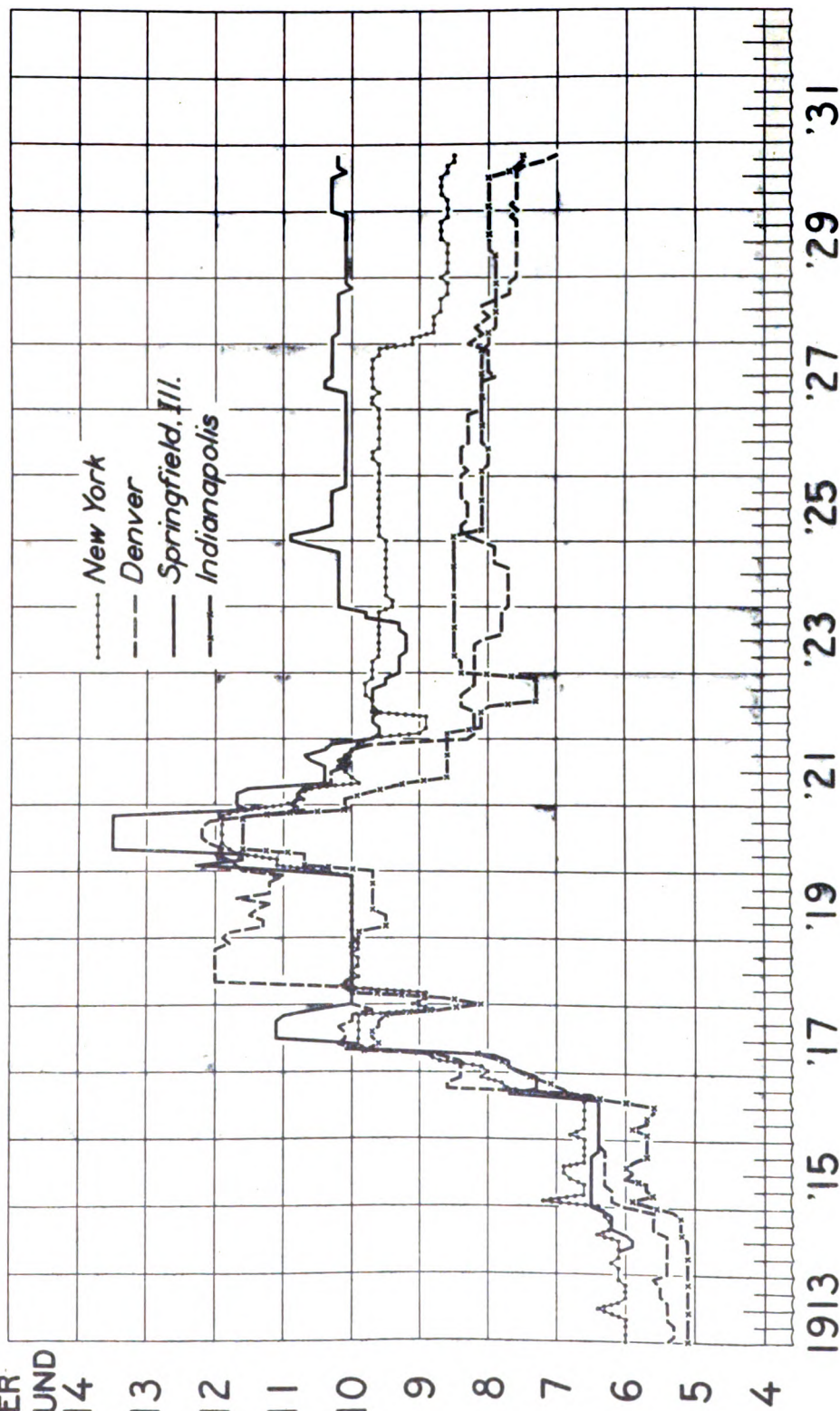
Comparative Prices of Wheat and Bread, 1913 to Date



*THE FLOUR FROM ONE BUSHEL OF WHEAT IS SUFFICIENT FOR ABOUT 62 POUNDS OF BREAD UNDER ORDINARY MILLING AND BAKING CONDITIONS IN THE U.S.

Average Retail Price of Bread in Specified Cities, 1913 to Date

CENTS
PER
POUND



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